

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE F 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Ptas 60; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; Dfl 3.0

## NEWS SUMMARY

### GENERAL

## French nuclear gear bombed

French nuclear protesters bombed nuclear equipment near Toulon, the Mediterranean naval base, causing several million dollars worth of damage.

None of the equipment, destined for Iraq, West Germany and Belgium, contained radioactive material.

A telephone caller to the Paris newspaper, Le Monde, said a group of ecologists was behind the sabotage. He added: "We have succeeded in neutralising machines dangerous to human life."

### Kenya bans battle reports

The Kenyan Government banned all mention of the fighting in Uganda in its two newspapers and on television and radio, provoking speculation that Kenya was considering sheltering President Idi Amin if he is overthrown by Tanzanian-backed invaders.

Rebels stay outside Kampala, Page 2

### Embassy shooting

Afghanistan Embassy staff in Bonn fired shots at Afghan students who took over the embassy during an anti-Soviet demonstration. Police arrested 13 students, none of whom had been injured.

### SAVAK deaths

Executions for political crimes resumed in Iran as death sentences were carried out against two former SAVAK secret policemen and a police officer in Isfahan.

### Poland floods

Poland's worst floods in decades have reached a peak in the country's eastern districts, with at least 30,000 inhabitants evacuated and a serious loss of livestock. Page 2

### Khmer take town

Khmer Rouge forces, loyal to the ousted Premier Pol Pot, took control of the north-west Cambodian border town of Paillet, Thai officials said.

### Mahangu hanged

Solomon Mahangu, the former South African student sentenced to death under South Africa's Terrorism Act, was hanged in spite of worldwide appeals for clemency.

### Files ransacked

Intruders who broke into the Labour Party's offices in Fulham, West London, ransacked files and confidential papers and stole £100 cash, may have had political motives, police believe.

### Oil slick probe

Dutch authorities are investigating whether oil slicks which killed hundreds of seabirds and polluted beaches in the Fifth of Form came from a Liberian-registered tanker now berthed in Rotterdam. Page 3

### Briefly...

Princess Michael of Kent gave birth to a 7 lb boy, to be known as Lord Windsor, who is 16th in line to the throne.

Stephen Gilbert, producer of the banned television play, Solid Geometry, was sacked by the BBC.

Leeds man, partially blinded in a road accident, won £205,786 damages for loss of earnings—a record for such injuries.

Seochee fan who was fined £400 for flicking a peanut at a match will have his case reheard, Appeal Court judge ruled.

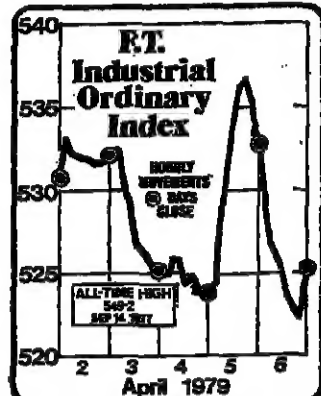
### CHIEF PRICE CHANGES YESTERDAY

RISERS	
Treasury 12pc 1983 A £103	+
Excheq. 12pc 1989 £45	+
Bambers Stores	233
Barton A	314
Cadbury Schweppes	604
Caledonian Hldgs	174
ICI	382
Landsec	228
Land Securities	294
LandWest	347
Parliament A	79
Phoenix Assurance	285
Reckitt & Colman	482
Scott & Universal	190
Invra	140
Shelburne	140
Unilever	625
"W" Ribbons	41
Shell Transport	745
B. H. South	95
Pancontinental	700
Rosenburg Plat	7
FALLS	
BAT Inds.	310
Beecham	693
Blue Circle	340

### BUSINESS

## Equities lose 7.4; Gilts up again

● EQUITIES declined as the end of Account profit-taking



coincided with the new tax year. The FT 30-share index fell 7.4 to 325.3.

● GILTS were helped by the strong pound but the gains were pared by the new tax stock. Longs were up to 3 higher and shorts showed gains of nearly 1. The Government Securities Index rose 0.29 to 75.06.

● STERLING closed 1.2c up at \$2.0865, its trade-weighted index rising to a three-year high of 67.4, up 0.7 on the day.

● DOLLAR trade-weighted index rose from 85.5 to 85.6.

● GOLD lost \$1 in London to \$239.1.

● WALL STREET was up 1.30 at 378.90 near the close.

● SHELL is to apply for a further round of price rises for its oil products, although the Price Commission is investigating a notification submitted only four weeks ago. Back Page.

● BRITISH AIRWAYS engineering workers have accepted a wage deal, worth 14 per cent on average, which could ensure the efficient running of a £1bn aircraft replacement programme. Back Page.

● LLOYD'S of London is providing a £7m cash aid for the Sasse underwriting syndicate, which is facing losses of £13.6m. Back Page; News analysis, Page 3.

● HOUSE PRICES have risen by almost 33 per cent in the past year, with the UK average price being over £20,000, says the Abbey National Building Society. Page 3.

● BRITISH HOME STORES is to follow other supermarket chains by selling wines and beers in at least half of its 100 High Street stores. Page 3.

● MOTOR AGENTS Association has attacked the Automobile Association's plan to launch a mail order scheme for car components and accessories. Page 3.

● DUTCH SHIPBUILDING group Rijn-Schelde-Verolme is investigating reports that the new Iranian Government has dropped plans to order eight frigates worth about £1.25bn (£220m). Page 2.

● PEARL ASSURANCE net profits increased by 15 per cent last year from £5.62m to £6.48m, mainly because of a 21 per cent rise in life profits. Page 22.

● UNICORN INDUSTRIES, the abrasive product specialists, is to raise £5.8m through a one-for-four rights issue at 100p. Page 22.

● COMET RADIOVISION Services has again increased its cash offer for Caledonian Holdings from 170p to 174p. Page 22.

● GEORGE WESTON, the Canadian food group, has raised its bid for Hudson Bay Company to 13.85m shares, a 60 per cent stake which matches the competing bid by the Thomson family. Page 25.

# Labour pledges new power over industry

BY ELINOR GOODMAN AND RICHARD EVANS

LABOUR'S ELECTION programme promises new statutory powers over industry and a continued fight against inflation and unemployment. A highly critical attitude towards the EEC will also be central to the party's strategy.

The manifesto published last night, commits the party to introducing statutory back-up powers to compel big industrial companies into planning agreements.

It envisages a wider role for the National Enterprise Board and stricter price controls. An annual growth rate of 3 per cent is set as a target, to return eventually to full employment at an unspecified date.

As expected, the centrepiece of the party's appeal to the electorate will be its relations with the unions in general and in particular the agreement it reached with them in February, which lays down the objective of reducing inflation to 5 per cent by 1980.

To that end, it commits the party to putting into effect what it dubs "fair-deal collective bargaining", in keeping with the criteria set down in a joint statement with the TUC.

The document also outlines several other important proposals, some agreed only at the last minute yesterday after a sometimes acrimonious meeting of the full Cabinet and Labour's National Executive Committee.

It advocates curbs on the House of Lords, although not its total abolition as some of the executive would have liked; the creation of new regional development authorities; and a wide extension of industrial democracy.

Again it enshrines the idea of a Freedom of Information Act, with familiar proposals for a wealth tax and, borrowing a leaf from the Conservatives, book a commitment to reducing income tax. In stark contrast to the Conservatives, the manifesto contains a pledge to reduce the proportion of the nation's resources devoted to defence.

In spite of the provision for compulsory planning agreements, there is little doubt that Mr. Callaghan has won a significant battle to maintain an essentially moderate industrial policy should Labour retain office.

He has also managed to

neutralise Left-wing attempts to promote the alternative of increased public spending, greater import controls and more public ownership, and to abolish the Lords.

The manifesto emerged after a long and sometimes painful birth that began more than a year ago. It marks a triumph for Mr. Callaghan and others on the party's executive, including some trade unionists, who thought that the shopping list of ideas drawn up by Transport House, might cause political damage.

The document is full of the usual Labour rhetoric about the "love of profit" and the consequences of Tory policies on confrontation, but is notable for its exclusion of many of the more extreme ideas favoured at the party's conferences.

No mention is made of further wide-scale nationalisation and no specific figure is laid down on how much money should be spent on boosting the economy.

Nor has the executive endorsed the idea of single-chamber government. Instead, it advocates abolishing the delaying power and legislative veto of the Lords.

Nevertheless, it is bound to be used as ammunition by Mrs. Margaret Thatcher in the campaign as she attempts to brand Labour a party of extremists. Although no Labour Government has ever implemented its entire manifesto, it does represent broadly what the party would like.

Many of the most sensitive issues have been fudged in lengthy discussion initiated by the Prime Minister. On import controls, for example, it says that steps are necessary to protect employment while the necessary changes and modernisation of British industry takes place.

"We will not allow our industries to be wiped out by excessive imports before they have had a chance to recover their strength," the Labour Government will ensure that imports enter our market only with acceptable limits."

The manifesto is equally elliptic about demands from the Left of the party for a shorter working week.

If full employment is to be

Continued on Back Page  
Manifesto details, Page 5  
Other election news, Page 4

# BL chiefs appeal for loyalty over toolmakers strike

BY ALAN PIKE, LABOUR CORRESPONDENT

BL MANAGEMENT has urged its car plant workers to remain loyal to the company and help it to reduce the impact of next week's threatened strike by toolmakers and other craftsmen.

The company, which hopes that a majority of skilled workers will ignore the unofficial strike call, yesterday stepped up efforts to retain the sympathy of other workers in plants where the skilled men do decide to come out.

Mr. Pratt Thompson, managing director of Jaguar-Rover-Triumph, said in a letter to his division's 38,000 employees yesterday, that if the strike went ahead, he would be depending on all other workers at every level to "remain at work and help keep the plants working."

In a similar spirit, Mr. Peter McGrath, chairman and managing director of BL Components, said the company would keep going as long as possible "with the co-operation of loyal staff."

During an unofficial strike by toolmakers at BL's SU Fuel Systems factory last night, workers, with the support of the Amalgamated Union of Engineering Workers' executive,

helped to maintain production. Similar action was taken by shop-floor workers during a strike, called by engineers—one of the groups which will be out on Monday.

BL is clearly hoping that, following a 2-1 rejection of strike action over delays in parity payments by manual workers earlier this year, manual workers will now be in no mood to be put out by the skilled men's disputes.

Although the strike call to the company's 3,500 toolmakers and other craftsmen theoretically took effect from the end of yesterday's day shift it will only be possible to judge the impact of the action on Wednesday. Unless there are unexpected weekend developments, it is probable that skilled men will not report for work at Cowley, Castle Bromwich, Solihull, Swindon and some other plants next week.

Men at some factories, including the big Longbridge and Dursley Lane plants in Birmingham and Spelthorne, have said they will not join the strike. However, if plants like Castle Bromwich and Swindon—which

supply bodies and components—were badly hit, repercussions would be felt elsewhere.

The strike call is being made by Mr. Roy Fraser, and the unofficial BL United Craft Organisation in support of demands for pay parity on the basis of a £80 per week minimum and separate bargaining rights for skilled workers.

Although there have been predictions that the strike will not gain as much support as the month-long action by toolmakers in 1977, some shop stewards were suggesting yesterday that Mr. Michael Edwards, chairman of BL, had gone too far in accusations that Mr. Fraser was acting as a "wrecker." They felt the strength of this personal attack might increase support for the strikers.

In his letter to employees, Mr. Thompson warned that strike action in Jaguar-Rover-Triumph could affect investment plans. "People's patience with British Leyland is at breaking point," he said. "No government or political party can afford to be seen as a soft touch over BL's cash requirement."

This is particularly true at election time and if BL were to become a political football we would all suffer.

Mr. Ken Cope, East Birmingham district secretary of the AUEW, also warned his members that neither a Labour nor Conservative Government elected next month would feel obliged, on the basis of public opinion, to continue helping BL through crises.

"Those people who think we are crying wolf would not recognise the beast if they saw one," he said.

However, Mr. Malcolm Young, the union's Oxford district secretary, said that while he regretted the proposed strike he understood the craftsmen's motive.

"Frustration will continue until such time as there are two tiers of negotiations, one for craftsmen and one for the others," he said.

# Japanese buy Helena Rubinstein

BY JOHN WYLES IN NEW YORK

COLGATE PALMOLIVE, the second largest U.S. detergent manufacturer, is ending its unhappy experience in the cosmetics business by selling its Helena Rubinstein subsidiary for \$75m to Kao Soap of Japan.

Mr. Keith Crane, who took over as Colgate-Palmolive's chief executive in January, had been expected to try unloading a business which has been a serious drag on his company's earnings.

Colgate disclosed in February that it was ready to sell Helena Rubinstein and acknowledged then that it had been having talks with L'Oréal of Paris.

But the sale to a Japanese company for a relatively modest price surprised most analysts yesterday until it was pointed out that Kao and Colgate are already associated in a joint venture in Japan—Kao-Colgate.

Oral Products, which was set up in January 1977 with a capital of \$US4.4m.

The agreement in principle should lead to one of the largest direct acquisitions in the U.S. by a Japanese manufacturer for many years.

Rubinstein acquired Helena Rubinstein through an exchange of shares worth \$142.3m in 1973 as part of a diversification move designed to compensate for Colgate's inability to erode Procter and Gamble's domination of the U.S. detergent market.

The gap between purchases and selling prices reflects Colgate's lack of success in managing the Helena Rubinstein business.

In fact, the company said yesterday, under the provisions of the letter of intent there would be no book loss on the sale.

Mr. Frederick Purches, vice-president of Helena Rubinstein in the U.S., will move across as chief executive of the company when the deal is completed. Payment of the \$75m will be spread over four years.

Colgate earned \$42.5m last year on sales of \$4.3bn. But this was a mere 1.5m profits advance on 1977. Colgate admitted "a disappointing earnings performance" by Helena Rubinstein.

Mr. Edward Jones, an analyst with Prime Webber Mitchell & Partners, estimated yesterday that last year's cosmetic sales were \$50m in the U.S. and \$150m abroad. U.S. losses left Helena Rubinstein some \$2.5m in the red, said Mr. Jones.

Kao Soap's 1978 sales were \$80m and its profits \$13m.

# Pound rises sharply to 3-year high

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING ROSE sharply yesterday against all other major currencies after the Bank of England's decision to stop intervening on a large scale.

The trade-weighted index, measuring sterling's value against a basket of other currencies, jumped by 0.7 to 67.4, its highest level for three years. This represents an appreciation of 5.3 per cent since the end of last year.

The strength of sterling affected the gilt-edged market, where longer-dated stocks rose by between 1 and 1½ of a point. Indeed, prices increased slightly after the Bank announced the issue by tender next week of £800m of stock maturing in 1991. This follows the successful first partial tender offer last month.

One of the main reasons for a further issue now is to mop up some of the inflows from abroad, which have built up so strongly over the last fortnight.

The underlying rise in the official reserves in March was \$1bn, and continuing heavy inflows earlier this week—possibly as much as hundreds of millions of dollars—intensified official concern about a potential threat to monetary control.

This led to the announcement on Thursday of a one point cut in Minimum Lending Rate to 12 per cent and the unannounced decision to stop intervening on a large scale to prevent too large a rise in the pound.

The immediate response to the change in tactics was a sharp rise in sterling, particularly late on Thursday and early yesterday. The pound finished during the day, but generally closed near or at its high against other currencies.

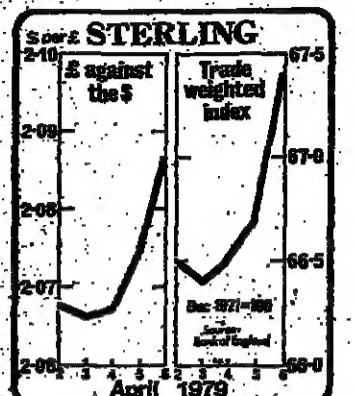
Foreign exchange dealers reported active business in both directions rather than just one-way intervention by the Bank. The pound has been limited to occasional smoothing operations.

The pound rose to a peak of \$2.0920 before there was some profit-taking. The closing rise was 1.2 cents to \$2.0865.

The trade-weighted index has risen by 1.5 per cent in the week since the link between sterling and the high point was broken. There was sizeable selling of pounds yesterday with a closing rate of \$2.0794.

A sign of the changed times was that the India authorities did not cut their interest rate in line with the reduction in the British MLR on Thursday, as they would have done previously.

The rise in the trade-weighted index this year has



been the result in part of a sharp appreciation in sterling against previously strong currencies. There has been a rise since December of 6.1 per cent, against the D-mark to Dfr 6.925 and of 13 per cent against the Japanese yen to ¥448.

Apart from mopping up inflows from abroad and financing Government borrowing, the new gilt-edged issue is also intended to prevent yields from falling too far below their current level. The authorities currently have no stocks on tap.

The yield on the new issue is slightly lower than on existing stocks, but it could become more attractive depending on market conditions early next week.

The issue of 11 per cent Exchequer stock 1991—is on the same basis as the first tender. There is a minimum tender price of £97 per cent, and any stock left over will be sold as a top stock.

Only £15 per cent is payable on application next Wednesday, with £30 per cent on May 14, and the balance on June 4. This contrasts with the first tender offer when 40 per cent had to be subscribed from the start.

The spreading of subscription dates means that the authorities are trying to tie up funding for the first couple of months of the new financial year. They have already arranged sales of stock of between £250m and £700m for the April and May banking months, leaving aside the new issue.

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# Cognac

To understand the word you need glasses

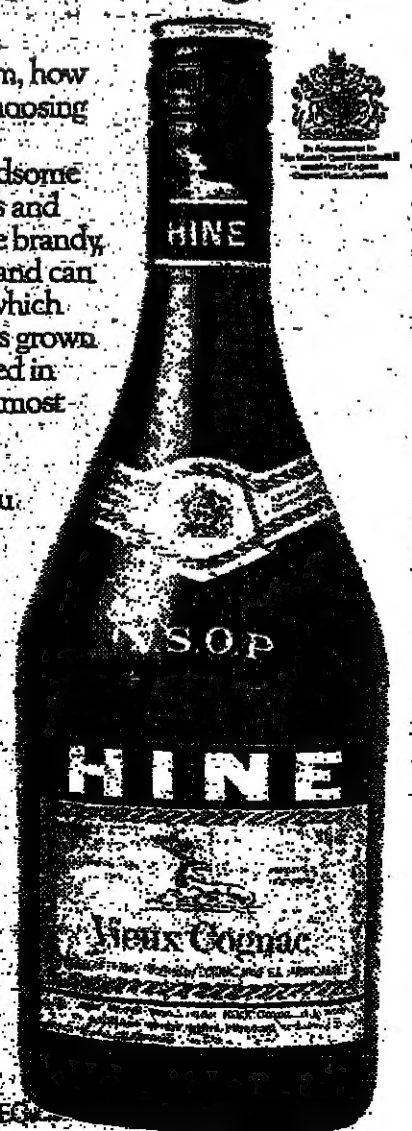
With so many names to choose from, how can anybody except an expert go about choosing a Cognac?

First, make sure it is Cognac. A handsome bottle with an impressive label, full of stars and symbols, can contain a very ordinary grape brandy, but the word Cognac is protected by law and can only be used to describe Cognac brandy which comes from the wine of certain grape types grown in a closely defined area and double distilled in traditional Charentais pot stills under the most rigorous local control.

That the bottle may have been in somebody's cellar for twenty years tells you nothing either. Cognac has to be matured in oak, and once it is bottled it does not improve. There are two further facts you can rely on.

The first is the name, and the name Hine on a bottle of Cognac tells you it comes from one of the few great Cognac houses, founded in the heart of the Charente in 1763. The second is your own palate. A single glass of Hine Cognac will confirm that you chose well.

Hine  
The Connoisseurs'  
Cognac



For an informative leaflet on Cognac, send a postcard to Dept. FT, 6th Floor, 10, Old Broad Street, London EC2M 4EJ.







## UK NEWS

## Post Office to stage telephone fibre trial

BY MAX WILKINSON

THE POST OFFICE will shortly announce a programme—believed to be the largest of its kind in the world—for the introduction of 450 kms of optical fibres into the telephone network.

The optical fibres, hair-thin strands of "pure glass," will replace the copper wires and coaxial cables which at present carry telephone messages.

In the new project, consisting of 15 separate systems, each about 30 miles long, will be encoded in pulses of light which flash through the fibre at up to 140m pulses a second. The pulses are so fast they can encode 2,000 simultaneous telephone conversations in a single fibre.

The Post Office, which operates only an experimental optical fibre link, now plans a large-scale trial of optical systems which will be fully

integrated into the telephone network.

The contracts are to be divided between Standard Telephones and Cables, the General Electric Company, Plessey, and British Insulated Callender's Cables, which makes the cable for Plessey.

The highest capacity links are to run between London and Reading, Basildon and Colchester and between Basildon and London.

Some systems are to be supported on pylons, others will run in underground ducts, and one link will be under water.

The Post Office is anxious that the UK should retain its position as one of the world leaders in the development of optical fibre communications, alongside Japan and the U.S.

Apart from its very high capacity, optical fibre enjoys several advantages over conventional telephone cables. It is light and easy to handle: it can run through existing telephone cable ducts without extensive civil works and is immune from electrical interference since the glass does not conduct electricity.

Optical fibres require repeaters to boost the signal only every 6 km compared with every 2 km for conventional cable.

Work on the new systems will probably start later this year. The Post Office expects to order optical fibre links on a regular basis from the mid-1980s.

Since optical fibre links encode speech rhythms in pulses or "digits," they will be especially suitable for use with the next generation of digital exchange equipment, System X, planned for the 1980s. Optical fibres will be able to link System X exchanges without special conversion equipment.

## Fears of 20% rise in house prices

BY ANDREW TAYLOR

HOUSE PRICES have risen by almost 33 per cent over the past 12 months and the average price of a home in the UK has now risen above £20,000, according to figures released by the Abbey National Building Society.

Mr. Clive Thornton, Abbey's chief general manager, said: "The increase in house prices during the first three months of this year exceeds earlier forecasts and estimates of a 20 per cent rise in 1979 cannot now be considered excessive."

He added that during the first three months of the year house prices had risen a further 5.8 per cent. It had been expected that the rise would have continued to slow, following the trend of the previous six months.

**Shortage**

Abbey said a shortage in new housing might be a factor behind the continuing rise. Department of Environment figures this week showed a 20 per cent drop in new housing starts in the three months to the end of February compared with the same period a year ago.

The building society also provided a breakdown of regional house prices which showed that average house prices of £23,584 in Greater London were some £10,000 more than the average house price of £12,417 in Yorkshire and Humberside.

Meanwhile, Mr. L. Farrer Brown, chairman of the Alliance Building Society, complained yesterday that Government competition for investors' funds was in danger of "crowding-out" building societies.

Similar remarks had been made earlier this week by Mr. Dennis Howroyd, chairman of the Provincial Building Society. The societies have become increasingly concerned about competition for funds from the Government and insurance companies which are able to offer investors tax benefits as well as a competitive return on their money.

Alliance said that building societies' net receipts fell by £1.3bn in 1978.

**Pay beds curb target set by health service**

Financial Times Reporter

UNDER-USED pay beds and private consultation services will be phased out of National Health Service hospitals by mid-1982, according to the Health Services Board's annual report.

The report says that the demand for pay beds has declined in recent years. The number in NHS hospitals has dropped from 3,444 in 1977 to 2,819 at the beginning of this year.

The Health Service Board has already asked local authorities to provide alternative paid accommodation outside health service hospitals. The Board plans to revoke authorisation for pay beds with an average daily occupancy of under 75 per cent.

Its provisional timetable for scrapping unused beds has started. The first revocations will begin in hospitals with smaller numbers of authorised beds in January 1981. The Board hopes to have completed all revocations for hospitals with more than 21 beds, by July, 1982.

**Carbon dust warning given**

THE HEALTH and Safety Executive has issued guidance notes on the dangers of carbon dust.

The notes advise on the precautions which should be taken to protect workers using the material which has many industrial applications.

## Cosworth engine takes Design Council award

BY KENNETH GOODING

THE Ford-Cosworth DFV Formula 1 racing engine—"for some time the best power unit of its kind in the world"—has earned one of six Design Council awards to the British motor industry.

The engine was first used by Lotus in 1967, but had not been entered until this year. Designer Keith Duckworth pointed out yesterday that his company, Cosworth Engineering of Northampton, could expect no marketing benefits from the award but added: "So many people have been knocking Britain recently that we decided to remind them that we can produce some of the best products in the world."

"The award will also give a boost to Cosworth's 200 employees. Their company is not well-known, and too many people believe Cosworth simply adapts Ford engines in a small back-street factory."

The success story began when Ford placed a £100,000 design contract with Cosworth for a three-litre Formula 1 engine because Mr. Duckworth had shown he could design successful racing engines based on volume-produced parts supplied by Ford. There are now 325 in service.

This was the power unit used by Jackie Stewart to win the world championship in 1969, 1971 and 1973. It powered Mario Andretti to his first world championship last year. And a marine version of the engine raised the world powerboat speed record in its class to 122.99 mph in a dash across Windermere in the autumn of 1978.

The 52 entries for the 1979 Awards were as varied as the activities of the motor industry itself. For the most part they were "notable for the emphasis placed on good engineering practice, attention to detail, and



The award-winning Bedford J11 Midibus.

simplicity of design rather than a high degree of innovation." Other award winners included: The "Linkliner" side-access delivery body from Boalloy—a company which has won two awards in the past three years. The Design Council says that Boalloy has "made major advances in the function and serviceability of its product which bring a high degree of sophistication to the expanding range of side-access vehicles."

Quinton Hazell's "Underider," an energy-absorbing unit which, when fitted to the rear of trucks and trailers, absorbs collision energy efficiently and progressively so that cars and their occupants involved in rear-end collisions with trucks equipped with the system suffer less damage than usual. A few days ago the Underider was awarded the Automobile Association gold medal.

The Standard Panel concept of Motor Panels (Coventry) which enables it to offer a

wide range of truck cabs which customers can adapt to their particular needs. The judges described the system as "ingenious."

A fuel tank drainer by Britax (Dunstable)—"a very simple product which should make a worthwhile contribution to safety in vehicle repair workshops."

**Balancer**

Laycock Engineering's "Motor-balance 5000" off-vehicle wheel balancer, which "minimises the possibility of operator error by the use of electronic and digital read-out facilities."

The judges considered the Bedford J11 Midibus, developed by Vauxhall Motors in association with Marshall of Cambridge (Engineering), "a very attractive and well-resolved design." They also considered the Versi-Trailer made by Uttox Traler, "an original, well-designed, highly versatile baggage trailer as an economic price."

## AA spares plan 'fraught with perils'

By Kenneth Gooding, Motor Industry Correspondent

THE MOTOR AGENTS' Association, representing 14,000 owners of garages, petrol stations and car and motor cycle dealers, yesterday attacked the Automobile Association's plan to launch a mail order scheme for car components and accessories.

It would be "fraught with perils for the motorist," said the motor agents, adding: "If the AA and its supplier (Quinton Hazell) plan to cream off the market by selling only fast-moving parts, it will inevitably lead to the prices of the more expensive parts being forced up."

Even the most skilled do-it-yourself motorist could easily order the wrong part, and this had implications for road safety, said the Motor Agents' Association.

In some cases, fitting a non-genuine part would invalidate the vehicle warranty.

Replying, the AA said: "We have good relations with the Motor Agents' Association and would not want to do anything to sour them."

"Its plan was 'purely in the market research stage to see if Britain needs this type of service, which is very popular in the U.S. When we have seen the results of the market test we will consider the commercial viability and whether to go ahead."

The subject will be discussed at a meeting shortly of the two organisations.

**Overseas trade figures delayed**

BECAUSE OF industrial action being taken at the Customs statistical office, the Government will not be publishing the overseas trade figures for March on Thursday as previously announced. Revised publication arrangements for the March figures, and for the February figures, which were postponed for the same reason, will be announced as soon as possible.

## Fulham have four days to pay debt

By Andrew Taylor

FULHAM Football Club has been given until midnight on Tuesday to pay a £400,000 debt which the club formerly owed to Sir Robert McAlpine construction company.

The debt has now been assigned to Financial and General Securities, which has given Fulham seven days to repay the money.

Brian Dalton, Fulham's finance director, said last night that Financial and General had warned that if the money was not paid by Tuesday it would seek to enforce an earlier court judgment ordering Fulham to repay the debt.

He said that it was not clear whether this meant that a receiver might be put into the club if the debt was not repaid. The Fulham board would meet at the earliest opportunity to discuss the issue.

McAlpine said that the debt had been assigned at a third party, but only on the strictest assurance that the money would continue to be paid at Fulham's Craven Cottage ground.

The company had decided to dispose of the debt, having failed to negotiate an acceptable settlement for repayment.

The court had ordered Fulham to pay the original debt of £270,000 plus interest payments to McAlpine, which built the club's Riverside stand at Craven Cottage. The total debt has now risen to around £400,000.

Mr. Dalton said that this was the club's last major outstanding debt.

**Asthma Council to step up fight**

THE Asthma Research Council is to spend £100,000 to combat the disease which affects more than 1m people in Britain.

The council's annual report says that research grants to hospitals, universities and other organisations will be increased by about £24,000.

**Free trip offer**

COMMUTERS ON British Rail's London-Bedford line are being offered a free trip on Sunday—so that they can see the progress of electrification work which will be finished in 1982.

**The Heart Is Where Your Home Is**

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★ Free movies on your in-room closed circuit, colour TV  
★ Individual air-conditioning... and mini-bar, plus 24-hour room service.

★ wide choice of restaurants, bars plus our Windjammer club for wide-a-way nightlife  
★ a warm and friendly atmosphere... that's unusual in large, luxury hotels

We're the only 5-star hotel in the heart of town. You're close to everything when you stay in the heart.

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Stadhoudersdijk 21, 1054ES Amsterdam  
Phone: 020-33 51 51, Telex 15087

## Forth oil slick blamed on tanker explosion

BY RAY FERNAN, SCOTTISH CORRESPONDENT

A 12-MILE oil slick which polluted beaches around the Forth and killed hundreds of seabirds may have been caused accidentally.

Fishermen in the area on Thursday reported that a Liberian-registered tanker, the Baron Venture, owned by Consolidated Carriers, had been discharging its tanks, discharging heavy fuel oil into the sea.

But Dutch officials who interviewed the crew in Rotterdam were told that the spillage was caused by explosions in the engine room which had forced the ship to change course for Holland to carry out repairs.

The Department of Trade said last night that as the incident had occurred outside British territorial waters, the only possible course of action was to report the vessel to the Liberian authorities. However, if the spillage was genuinely accidental, no action would be taken.

**British Airways steps up its Gatwick flights**

BY MICHAEL DODGE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is planning to increase its flights to Europe from Gatwick to ease congestion at Heathrow.

It recently switched holiday flights to Malaga, Alicante, Palma, Faro, Gibraltar, and Copenhagen to Gatwick. It says that some Athens flights will go from Gatwick, starting in June, and flights to Bologna in November.

The Gatwick network might also eventually include flights to Lisbon, Madrid and Barcelona. That, however, depends upon Iberia, the Spanish airline, and TAP of Portugal, also switching services from Heathrow to Gatwick.

British Airways has operated some European flights from Gatwick for some time, to Düsseldorf, Frankfurt, Zurich, Dublin, Aberdeen and Guernsey.

Its plans to expand at Gatwick arise from the Government's desire to reduce congestion at Heathrow and the airline's desire to tap new traffic to Europe from Gatwick as well as Heathrow.

**Industry Act interest rates reduced**

THE MAXIMUM rate of interest Relief Grant is now 13 per cent.

Interest rates for loans under Section 7 of the Industry Act 1972 have also been reduced as follows:

● The "concessionary" rate of interest on loans for employment-creating projects (Category A) is down from 12 per cent to 10 per cent.

● The "broadly commercial" rate of interest on loans for modernisation projects which do not provide additional employment (Category B) is down from 15 per cent to 13 per cent.

**Easter services on London buses**

A FREE bus service is to run on Easter Sunday between Sloane Square and Battersea Park to help visitors reach the bus parade and rally being held in the park—as part of the 150th anniversary celebrations of London's buses and the annual Easter parade.

Extra buses will run to London and Chesham Road, Hampstead Heath, Hampton Court Park, Richmond, Syon Park and to parts of the Thames riverside. On the Underground, there will be additional trains for football matches.

**Driving licence renewals 'blacked'**

APPLICATION by thousands of motorists to renew their driving licences have been "blacked" by civil servants.

But they can continue driving without breaking the law, say the Driver and Vehicle Licensing Centre at Swansea.

The only exceptions are applicants for first-time provisional licences who are advised to reapply within a month.

**British Home Stores to sell drinks**

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BRITISH HOME STORES has joined the booming take-home drinks trade which could revolutionise Britain's drinking habits. BHS plans to sell wines and beers in at least half its 100-plus High Street stores and the first licensed section is likely to be open within the next two months.

Most of the major supermarket chains as well as High Street multiples such as Marks and Spencer and F. W. Woolworth had already entered the market.

The rapidly increasing preference for drinks in the home—although the traditional public house still remains the most popular place to have a drink—meant that BHS could no longer afford to stay out of the battle for a share of the £7bn a year drinks market.

Take-home beer sales, for example, could reach 20 per cent of total beer sales by the early 1980s, according to some market estimates, compared with 12 per cent at present. Three years ago take-home beer sales accounted for just over 8

per cent of the beer market. The supermarkets' and multiple stores' food halls are rapidly becoming more popular as the place to buy drink to take home, at the expense of the traditional specialist retail off-licence.

The key has been the increased accessibility of drink in supermarkets: since most consumers shop at least once a week in a supermarket, it has become easier to add a few cans of larger or a bottle of wine to a loaded trolley than make a special trip to a specialist off-licence.

Statistics produced by the AGB research company show that in the fast-growing wine trade, off-licences account for only 40 per cent of sales, while multiple and independent grocers, cooperative stores and High Street stores account for at least 52 per cent.

Other trade surveys show that in the total take-home market, including wines, beers and spirits, off-licences account for about 60 per cent of sales and

supermarkets and other multiples account for the remainder.

The J. Sainsbury supermarket chain, according to AGB's figures, is the largest individual retailer of wines with about 10 per cent of the market, compared with about 3 per cent for Tesco. Sainsbury's dominance in the wine market is due to its traditional store profile of middle-class shoppers who are more likely to be wine drinkers, although there is now a general move down-market in the wine trade, as well as its consistent policy of buying quality wines and clearly explaining to shoppers their type and suitability.

The total take-home market is growing so fast that some estimates suggest supermarkets may now be taking a nearly equal share of the market with specialist off-licences.

A recent survey by the Stats MR company found that 57 per cent of consumers said they went most often to a supermarket to buy take-home drinks

and 33 per cent went to a specialist off-licence.

Tesco, the most frequently cited choice for buying drinks, was mentioned by one in four people covered by the survey, followed by the Co-ops (22 per cent) and J. Sainsbury (18 per cent) and then by Victoria Wine, a specialist off-licence chain.

Mr. James Duggan, Tesco's wines and spirits buying director, says that only a little more than a decade ago the idea of selling wines, spirits and beer over the supermarket counter was virtually unheard of. "In certain quarters," he adds, "the idea was completely taboo and as late as 1967, when Tesco began to examine the prospects for the market, only seven out of over 800 stores held a licence and total turnover was no more than £150,000 a year."

Nowadays, he says, Tesco's take-home business is one of the company's fastest-growing sectors. Its beer sales, for example, are understood to be about £35m a year.

The boom in take-home sales

has been helped by the growth in demand for lager, which accounts for about 45 per cent of the take-home beer market; forecasts suggest its market share will be 60 per cent by the mid-1980s.

The take-home sales boom has not been without its problems; brewers and other drink producers are finding that their margins have been cut right back. Beer sales through supermarkets are far less profitable for the brewer than sales through a public house.

The accessibility of drink in supermarkets has been suggested as a main reason for the sharp rise in alcoholism, especially among housewives, in recent years.

Increased social concern over the spread of alcoholism—and the need for drink producers to secure higher margins—may, therefore, eventually take some of the gloss off the take-home boom as far as supermarkets are concerned.

## ● NEWS ANALYSIS — THE SASSE SYNDICATE AFFAIR

## Lloyd's deeply split on £7m aid

BY JOHN MOORE

THE CAREFULLY worded statement from Lloyd's of London yesterday on its proposals to provide £7m aid for the stricken Sasse underwriting syndicate was designed to take account of the deep divisions that exist within Lloyd's itself on how the affair should be handled.

Many members of Lloyd's, 17,000 in all, grouped into about 360 syndicates, feel that they should not have to bail out 110 of their number because they have fallen on hard times. After all they argue, since syndicates do not participate in each other's profits they should not have to share each other's losses.

This complaint is loudly voiced by the influential 350 managing agents who look after the affairs of the syndicates for the mainly non-working members of Lloyd's.

Hence, Lloyd's is anxious to stress that the nature of the aid it is giving to the syndicate, formerly managed by Mr. Frederick Sasse, is only of a temporary nature.

But the 18-strong ruling committee of Lloyd's has deeper anxieties about the Sasse affair. It is concerned lest anything that smacks of a rescue should tarnish the principle of unlimited liability.

New members joining Lloyd's are told that in the event of large insurance claims they are individually liable to the full extent of their private means for their own proportion of the business which has been accepted on their behalf by a full-time underwriter.

Only recently Lloyd's explained to the Wilson Committee that a member "is not liable, in respect of other members' proportions" of the risks accepted.

Lloyd's is worried lest by suggesting for a moment that this is a market where people cannot lose money it should be in danger of encouraging bad market practice.

Officials feel that irresponsible elements within Lloyd's might decide that they have nothing to lose by abusing the market because, in any event, the community would rally round.

However, such is the nature of this particular affair, that Lloyd's has had to move swiftly and produce an interim package of measures for the Sasse syndicate.

Lloyd's was responsible for instigating an internal inquiry last summer into the affairs of the insurance broker Brentnall Beard. This company, quoted on the London stock exchange, produced the North American fire insurance business, which eventually led to £10.5m losses.

Lloyd's also called in the City of London police fraud squad last September to look at a number of irregularities in the syndicate's management accounts on the Canadian business.

These actions have to a large extent impeded the syndicate's legal action for the recovery of reinsurance claims on £3m of the fire business.

Lloyd's intervention also slowed down the syndicate's legal campaign in other areas for the recovery of money owed to it.

Many of the 110 members of the syndicate have become impatient and sought legal advice individually. There is a distinct possibility that a maze of legal action will follow and the name

of Lloyd's be publicly embroiled in unseemly legal rows. The goodwill which is vital to the marketplace could take a severe knock.

Whatever happens on the legal front, Lloyd's is resigned to the possibility that its name will be before the courts for some time to come.

Another factor has influenced Lloyd's swift action. Its annual audit is under way and all members are required to show that their underwriting assets are sufficient to meet the liabilities for all classes of business.

If a member has insufficient assets to pass the audit test then he must either provide additional security or cease underwriting and resign from Lloyd's.

Lloyd's feels that to treat the members of the syndicate harshly, at a stage when they could recover the money elsewhere as a result of pending legal action, would be unfair.

An unusual number of market irregularities figure in the events which have led up to the Sasse losses.

Towards the end of last year it was discovered that in 1976 Mr. Sasse underwrote £10m of business, 2½ times more than he was entitled to accept under the

premium income limits (strictly related to the members' wealth) laid down by Lloyd's.

Moreover, Brentnall Beard had introduced an American-based insurance specialist to the syndicate, Mr. Dennis Harrison, to whom Mr. Sasse granted authority to accept business on the syndicate's behalf. It transpired that Mr. Harrison did not gain approval under Lloyd's procedures available for the use of syndicates who accept non-marine insurance business.

It was then found that the syndicate's management accounts had been seriously mis-stated on the Canadian business which produced £2.5m of the fire business losses, and Lloyd's called in the fraud squad, whose inquiry is still going on.

With so many extraordinary problems surrounding the syndicate, Lloyd's is keeping its options open. Lloyd's said yesterday that the package of measures announced "in no way rules out further action by the committee in the light of any new facts which might emerge."

Yesterday's meeting at Lloyd's of the underwriting agents was the first occasion many could recall of such proposals being unveiled to the community.



Clydesdale Bank

BASE RATE

Clydesdale Bank Limited announces that with effect from 6th April, 1979, its Base Rate for lending is being reduced from 13% to 12% per annum.



## UK NEWS — LABOUR

## Stage-hands dismissed by National Theatre

BY PAULINE CLARK, LABOUR STAFF

MANAGEMENT at the National Theatre yesterday issued dismissal notices to 50 members of the National Association of Theatrical, Television and Kine Employees, as a stage-hands' unofficial strike entered its third week.

But the management also offered the union two alternative conditions for re-engaging the sacked strikers. Talks to try to reach agreement will continue over the week-end.

The strike is the sixth unofficial action by the union's members in the three years the company has been at its new complex on London's South Bank.

Potential box office takings lost since then total £200,000. The theatre's current hard-line shows its determination to end disruption completely.

Mr. John Wilson, the association's general secretary, said yesterday that its executive committee would consider on Monday the management's two proposals for reinstatement.

The first is to take the dismissals to arbitration—the arbitrator to be chosen by the Secretary of State for Employment—with the result binding on both sides.

Or, the dismissed men, if they wished, can be re-engaged providing they formally agree in their contract of employment not to take further unofficial action that would halt performances.

This follows a breakdown in talks with the union this week, despite intensive negotiations involving the Advisory Conciliation and Arbitration Service.

The association criticised management earlier this week for failing twice to take up its offer to persuade the strikers to return to work. Originally 27 stage-hands walked out in the pay dispute. Since then the number has grown to 50 as more have joined the picket line.

But the strikers represent just a sixth of the union's membership at the theatre.

## Local authorities face new disruption

BY PAULINE CLARK, LABOUR STAFF

UNION REPRESENTATIVES of some 20,000 plumbers and electricians employed by local authorities will decide on a campaign of industrial action next week. Yesterday they rejected a 9 per cent pay offer.

Meetings are to be organised by area officials. The effects of any action could vary widely according to different local authorities' policies on contract labour.

Maintenance of lifts in high-rise blocks of flats could be affected as could heating and plumbing, installations in a variety of public service buildings, including schools.

Earlier this year local authority manual workers took industrial action until a 9 per cent pay increase with a comparability study and £1 on account was agreed.

Mr. Peter Adams, national officer in the Electrical and Plumbing Trades Union, said the workers were demanding a "substantial improvement" to the latest offer.

That offer was raised earlier this week from 8 per cent but the groups believe they are being compared unfavourably with the manual workers. It concludes a comparability study with 50 per cent of any payments to be made next November and the rest the following year.

The electricians are demanding full implementation of an arbitration award made in 1975, which recommended close alignment with wages in the private sector based on £48.20 a week.

Plumbers are also demanding parity with plumbers in the private sector following their special case award last autumn.

The National and Local Government Officers' Association said yesterday that a claim for a substantial wage increase for 50,000 clerical and other white collar staff in the electricity supply industry would be tabled with employers next week. Their average wage is at present put at £3,410 a year.

## Incomes policy depends 'on curbed unions'

BY COLLEEN TOOMEY

NO INCOMES policy will work unless union powers are reduced, the Association of British Chambers of Commerce said yesterday.

In a discussion paper at its annual conference in London it concluded that reforms were essential, whatever was done about wage policy, and the recently concluded concordat between the TUC and the outgoing Government was in no sense the required reform.

The conference felt that the "near-total immunity" of trade unions should be changed.

It proposed that if a bargain properly entered into by employer and union was broken, the party that broke the contract must pay damages.

The conference urged restrictions on union power in closed shops; first, by bringing in independent arbitrators on issues such as union refusal or revoking of membership; second, by widening the grounds for avoidance of union membership beyond "religious belief"; third, by allowing a closed shop only if approved by a decisive majority in a secret ballot.

## Pay parity strike goes ahead at Perkins

A STRIKE halted production last night at the Perkins plant in Peterborough, the world's largest diesel engine manufacturer.

Seven thousand workers walked out after talks broke down in their long-running pay-parity dispute.

Works convenor Mr. George Gilmore announced the deadlock through a loud hailer on the factory floor. Workers staged a demonstration, shouting and chanting, and some equipment was knocked over and damaged.

Shop stewards rejected an offer of increases on basic rates of between £8.39 and £10.75, plus a joint committee investigation into parity with Massey Ferguson employees in Coventry.

The Perkins workers want a package worth £30 more a week—to help give them parity.

The issue has been simmering since 1973, when it closed the plant for a month, with the loss of 40,000 engines. The company produces more than 1,000 engines a day, 56 per cent for export.

## TGWU wants shop stewards' holiday: May 3

BRITAIN'S biggest union wants a day off for its shop stewards on May 3 so that they can help pull in the Labour vote.

The Transport and General Workers' Union is also urging its 500 paid officers to take their annual leave and work in the 60 marginal constituencies that have been selected by the Trade Union Committee for Labour Victory for special attention during the general election campaign.

Conservative Party Central Office has also complained that detachment of trade union officials for electoral work could be a breach of the election laws. Unions say there is nothing illegal if paid officials take the time off as part of their annual holiday.

Mr. Moss Evans, TGWU general secretary, said after a meeting of his union's executive with the full-time officers: "Our shop stewards are to be urged to negotiate with their management for the day off on election day to help in the campaign, on the same basis that most firms give the day off, on pay, to help the Conservative Party on election day."

## POLITICS

## Steel will not visit Thorpe's constituency before election

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. DAVID STEEL, the Liberal leader, is not going to visit the North Devon constituency of Mr. Jeremy Thorpe, former leader of the party, during the General Election campaign.

Liberal Party workers in the constituency are, however, hoping that Mr. Steel will send a tape-recorded message of support which can be played to them at the meeting which opens Mr. Thorpe's local campaign.

Last night, there was a great deal of confusion in the Liberal ranks about Mr. Steel's intentions.

Mrs. Lilian Prowse, Mr.

Thorpe's agent, said that Mr. Steel had offered to visit the constituency on his way back from Cornwall next Tuesday.

But Mr. Thorpe would not be there on that day, so Mr. Steel was sending a tape-recorded message with his greetings. He did not see this as a snub to Mr. Thorpe.

But an aide at Mr. Steel's office in Westminster said that the Liberal Party General Election Committee had decided in its meeting in London earlier this week that Mr. Steel should not visit North Devon.

The official said that he knew nothing about a tape-recording and one had certainly not been

made yet, although the idea might have been discussed.

Earlier this week Lord Widgery, the Lord Chief Justice, granted an application for the adjournment of the trial of Mr. Thorpe and three co-defendants on charges of conspiracy to murder. It has been postponed until May 8 so that it does not clash with the General Election.

Mr. Steel claimed at the Liberal trade union conference in Blackpool last night that the Liberals would break through in even larger numbers in the next Parliament.

He said: "Mrs. Thatcher's

ment and hope for a thumping Tory majority is simply a desire to continue the sea-saw politics which have bedevilled Britain."

It was the height of arrogance for Tory and Labour to assume that the electorate must hand one of them absolute power.

Mr. Steel maintained that younger voters were no longer prepared to accept adversarial politics. The size of the Liberal Party in the new Parliament would decide whether the UK could start a new era of partnership and co-operation in industry and politics.



MRS. MARGARET THATCHER, Leader of the Conservative Party, arriving with her husband, Denis (right), and the Suffragan Bishop of Reading, the Rt. Rev. Eric Wild, yesterday at St. Mary's Church, Longworth, Oxfordshire, for the funeral of Mr. Airey Neave, her friend

and political adviser, who was killed last week by a terrorist bomb.

Mr. Roy Mason, Northern Ireland Secretary, represented the Prime Minister and the Government. Security was strict and Special Branch officers mingled with the congregation of between 200 and 300.

## Oil rush 'harmed' Scots jobs

By Ray Porman

THE RUSH to extract North Sea oil to benefit the balance of payments has positively harmed jobs and industry in Scotland, Mr. Gordon Wilson, deputy leader of the Scottish National Party, said yesterday.

"North Sea oil is clearly going to be one of the themes in the SNP election campaign. Mr. Wilson said that no other country in the world had so comprehensively mismanaged its oil policy as Britain.

Between 150,000 and 200,000 jobs had been created in the U.S. as a direct result of North Sea exploitation, but only 55,000 had been created in Scotland.

"I have no hesitation in condemning the break-neck exploitation of Scotland's oil adopted by successive Labour and Tory Governments as extremely harmful to Scotland."

"The Government must tighten up on existing developments, and insist that all repair and maintenance work should normally be handled in Scotland, using Scots firms and labour."

"Secondly, before giving development permission to companies, the Government must insist that at least 50 per cent of the development work in the Scottish sector is given to Scotland."

"This would give Scots firms a fair opportunity to compete, and it would force international suppliers to enter into licence and partnership arrangements with Scottish industry."

## Maude attacks on 'Callagat cover-up'

BY ELINOR GOODMAN

LABOUR'S version of Watergate—the "Callagat cover-up story"—would "dominate" the election campaign, said Mr. Angus Maude.

Speaking shortly before the publication of Labour's manifesto, the Tory Party deputy chairman sought to brand it as the party of extremists.

Only its lack of a big enough majority in the last Parliament had prevented it pressing ahead with full-blooded Socialism, he said. Britain must be aware of the dangers of returning Labour to power with a working majority, he added.

And Mr. William Whitelaw, shadow Home Secretary, attacked what will probably be one of Labour's main campaign points—its claim to have a special relationship with the unions. Mr. Callaghan's assertion that only Labour could get their co-operation was demonstrably hollow, he said, in the light of the recent industrial troubles.

Mr. Maude, speaking in his Stratford-on-Avon constituency,

said the election would be dominated by a "cover-up story" as important as Watergate had been in America.

Dubbing it "Callagat," he said it tried to disguise the Labour Party's true nature, in particular its real programme for the next Parliament. The electorate needed to be reminded again and again what Labour did when it had a majority, he said.

Nationalisation—of aircraft and shipbuilding, and building land—was symptomatic of the kind of Socialist measures Labour would try if elected with a big majority, he said.

He supported his arguments by quoting from the draft manifesto prepared by Labour's research department. But Mr. Maude can hardly have seen Labour's final manifesto—agreed yesterday between the full Cabinet and the National Executive—so he risked overstepping the mark by quoting proposals in the Transport House draft manifesto.

## Pledge on chemists' pay

By Christopher Parkes

A Conservative government would go ahead with plans to set up an independent review body for chemists' payments, a Tory health spokesman said yesterday.

Dr. Gerard Vaughan, Conservative MP for Reading South, said that the present Govern-

ment had already announced it would set up such a body but had not yet appointed any members. A Conservative government would urgently establish a review body and consider its recommendations "very carefully and sympathetically."

## Tory farm policy criticised

By Christopher Parkes

LEADING FARMING and landowners' organisations have been disturbed by lack of formal commitments in the Conservative Party's agricultural policy plans, presented by Mr. John Peyton this week.

Mr. Richard Butler, president of the National Farmers' Union, said that he wanted talk of support for agriculture to be backed with funds. He was disappointed to find no promise on price rises.

"It was a useful statement," Mr. Butler said.

He put his views to Mr. Peyton at the annual dinner of the Grain and Allied Feed Trade Association. "In one or two areas the statement was not even factually correct," he said.

The Country Landowners' Association called for substantial reductions in tax. Its statement welcomed the Conservative line but remarked on the many similarities between the policy and that of the existing Government.

## Heath may be open to offers

By Elinor Goodman, Lobby Staff

Mr. Edward Heath gave a strong impression yesterday that he might be prepared to consider a job in a Conservative cabinet.

The former Conservative leader, whose relationship with Mrs. Thatcher has been distinctly frosty since she supplanted him, denied reports that he had already told her that the only job he would be prepared to consider would be the Chancellorship.

Mr. Heath's office put out a statement saying that at no time had there been any discussions with him about his position in any future Conservative Government. "Nor had he himself expressed any views to anyone about it."

That he said "possibly" was a matter for the leader of the Conservative Party.

By putting out the statement at all, he seemed to be trying to get the idea across that he was open to offers from Mrs. Thatcher, despite their differences of opinion on some key issues.

Mr. Heath is due to take a full part in the election campaign. He will begin by visiting six critical constituencies in Scotland and then tour the rest of the country.

Given the way he attacked the official Party line on pay policy at the Tory conference last autumn, his every speech will be examined under the media microscope for signs of dissension.

The indications are, that he will behave with considerable discretion at the start of the campaign, very careful about what he says.

But some Conservative organisers are concerned that, as the campaign progresses, his resolve may falter. If that happens it will lessen his chances of being offered a job, for Mrs. Thatcher has already said that she would want no dissenters in her cabinet.

## Blacks might not vote says student leader

THE MAJORITY of Britain's im-coloured voters will ignore the General Election unless candidates give firm commitments on racial justice, Mr. Trevor Phillips, the first black president of the National Union of Students, said yesterday.

Mr. Phillips said in Leeds that Britain's "ethnic" minorities wanted police powers of arrest and a much higher level of multi-racial consciousness in schools and colleges was needed.

## Bank of Ireland

announces that the following rate will apply from and including

6th April, 1979

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Bank of Ireland



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## UK NEWS — LABOUR'S MANIFESTO

## Stronger Price Commission: Giro boost

**THE LABOUR PARTY** published its manifesto for the May 3 General Election last night.

## THE MANIFESTO SAYS

Over the past five years, the Labour Government has laid the foundations of a stronger economy.

When Labour came to govern in March 1974, Britain was facing the most dangerous crisis since the war. The Tory programme of confrontation and social injustice had brought the country almost to its knees.

Our country has come a long way since then. The rate of inflation has been brought under control. It has become possible to improve living standards, to cut taxation and increase child benefit, pensions and benefits to the disabled to rates which make them worthwhile costs and inflation.

And over the past year, unemployment has at last begun to fall.

Now we offer a programme to carry Britain through the 1980s.

Nothing undermines a nation as inflation. Not only does it make the family's task of budgeting more difficult, it is a threat to jobs and a standing invitation to overseas competitors to invade our markets.

Now, with the renewed operation of the trade union movement, Labour will continue the battle against rising prices. With the wholehearted backing of the TUC, we have set ourselves a new target: to get inflation down to 5 per cent by 1982.

## Power on prices

1—Our approach will be threefold. Labour will strengthen the Price Commission, giving it greater powers to initiate investigations and reduce prices, in contrast to the Tories who threaten its abolition.

We will expand its powers to combine its functions with those of the Monopolies and Mergers Commission to ensure that consumers are not exploited by monopoly producers or unfair practices. We will further strengthen and modernise our competition laws, in both the public and private sectors.

2—Labour will seek radical reform of the Common Market's Common Agricultural Policy, and will oppose any further increases in common prices until food surpluses have disappeared.

3—In contrast to the Tories' savage free-for-all which leads to soaring inflation and industrial chaos, the Labour Government will work with the TUC to achieve our agreed inflation target of 5 per cent in 1982.

The Labour Government and the TUC have jointly agreed to set up a Standing Commission on Comparability which will ensure that public sector workers, including those who are low-paid, receive fair wages that are in line with those paid in the private sector.

## Towards peace

For this private sector, we declare our aim to be a high wage, high productivity, low unit cost economy. To this end, we pledge ourselves to make a reality of fair deal collective bargaining, in keeping with the criteria set down in the Joint Statement.

This agreement is a far better way of achieving industrial peace, prosperity and more stable prices than confrontation with the trade union movement.

The manifesto then turns to the question of jobs, and prosperity. It continues:

The Labour Government will pursue policies which give a priority to the return to full employment. This must go hand-in-hand with keeping down inflation. We therefore aim at a rate of growth of 3 per cent or more.

Our North Sea oil gives us an advantage in securing full employment and a rise in living standards. The new technologies also hold out the prospect of faster growth and a better quality of life for all.

This is particularly true of microtechnologies (the silicon chip) which will have a major impact on the lives of every body. Only a Labour Government can ensure that our people as a whole derive the benefit.

In order to take full advantage of these opportunities, we must improve our industrial competitiveness at home and abroad—and that means making sure our industries adapt to new markets and technological changes. It also means easing the costs of rapid industrial change for working people.

The use of crude market forces advocated by the Tories will not and cannot achieve these changes in a way that is acceptable to the British people.

What we need is a firm industrial and employment strategy from a Labour Government aimed at increasing productivity, adding to investment, and creating new jobs.

## Training

We shall expand and improve programmes of training and re-training in skills.

We shall expand the work and finance of the National Enterprise Board, using public ownership to sustain and create new jobs, and ensure that we get an adequate return on our investment.

We shall continue our strong policy of regional incentives. We shall expand the work of the Welsh and the Scottish Development Agencies. The Labour Government will create similar development agencies in the English regions suffering similar problems.

To ensure that private industry plays its full part in the drive for prosperity and full employment, we shall conclude planning agreements with the major industrial companies, with the necessary back-up statutory powers. We shall establish within Government the necessary arrangements to make this effective.

We reaffirm the policy that we have pursued that wherever we give direct aid to a company out of public funds, we shall reserve the right to have a proportionate share of the ownership of the company, and wherever possible, this public support will be channelled through the Planning Agreement System.

Labour will continue with major aids to investment, including the selective investment scheme which has already supported projects in excess of £1bn. It will develop the work and funding of the Co-operative Development Agency in expanding co-operative enterprise.

## Strategy

This is a positive strategy for industry, based on co-operation between Government, trade unions and management.

The new agreement between the Government and the TUC, which includes provision for an agreed annual assessment of the nation's economic performance, lays the foundation for working together in the 1980s.

Labour will work for an international agreement under which all countries are helped and encouraged to expand their economies to the limit of their productive capacity, and so stimulate world trade. This will help British exports to increase still faster. But to do this Britain needs a healthy and expanding economy.

We also need a programme to protect employment while the necessary changes and modernisation of our industry takes place. We will not allow our industries to be wiped out by excessive imports before they have had a chance to recover their strength. The Labour Government will ensure that imports enter our market only within acceptable limits.

Under the Labour Government, we shall continue with programmes like the short-time working compensation scheme, the job release scheme, the small firms employment subsidy, and job creation programmes which have already created and saved over 1m jobs.

We do not accept that individuals whose jobs have disappeared should remain unemployed for periods of time which demoralise them and impoverish their families.

We pledge ourselves to the progressive introduction of a scheme which will ensure within the lifetime of the next Parliament that no one shall be unemployed for more than 12 months without receiving either the offer of a job or of retraining.

## Expansion

Labour will also promote an expansion in housing, the health service, education and other social services which have such a crucial part to play in providing jobs as well as in meeting vital social needs.

Labour must ensure that the financial institutions play their part in our programme for the revival of industry. We acknowledge the many successes of the financial sector, but we are also concerned that the lure of short-term profit can outweigh the social gains to be had from industrial investment.

The banking sector would benefit from increased competition. We therefore intend to bring about a major development in the Girobank so that it will compete on equal terms with the big four clearing banks and improve standards of service to small savers.

The National Savings Bank has a valuable role to play in making a significant contribution to financing the Government's operations, thus reducing our reliance on the City.

By developing the Girobank and the National Savings Bank to their full potential, a Labour Government will ensure a vigorous public banking sector.

## Encourage

Agriculture has always flourished best under Labour Governments. We have already taken many steps to encourage production, whilst giving consumers and workers in the industry the best possible deal.

Labour will consider in the light of the official enquiry we have set up into agricultural land protection for farmers against the intrusion of financial institutions into this field.

We will continue to demand a Common Fisheries Policy that gives preference in our own waters to a strong British fishing industry—betrayed by the last Tory Government—with a secure future.

We will continue to take, and enforce, national measures to conserve stocks. We shall complete the process of de-casualisation in the industry.

The world energy situation is deteriorating. Energy policy is vitally important to our survival. We shall strengthen the democratic planning of the long-term developments of Britain's own energy sources, backed by the necessary powers, under full Parliamentary control.

Britain is almost alone amongst major industrial nations in achieving energy self-sufficiency; our resources have been developed, thanks to the skills of our scientists and of the workers.

The Tories handed over our oil wealth to the multinationals. We changed that and will ensure that this energy wealth is developed wisely for industrial regeneration and public provision, and its fruits distributed fairly.

## Mining

We will continue to support "Plan for Coal" for the mining industry, which has a key role to play in our energy future.

In any programme for nuclear power, safety must continue to be the dominant factor.

Any such development would have to take place within the public sector. We shall maintain strict safeguards over the disposal of nuclear waste.

We have not decided whether to build a commercial fast breeder reactor. A major study and public enquiry would be held before any decision were to be taken.

We shall progressively increase the national stake in the North Sea, to safeguard the British people and regenerate British industry.

We have initiated and will continue a major programme of alternative energy, energy saving, through insulation grants, advice to industry, the "Save-It" Campaign, and an energy-saving approach to transport.

The tax system must be fair and seen to be so. We will mount an all-out attack on tax evasion.

Everybody must make their fair contribution to the country's finances. In the next Parliament, we shall introduce an annual wealth tax on the small minority of rich people whose total net personal wealth exceeds £150,000.

Labour will continue to reduce the burden of income tax, and raise the tax threshold below which people pay no income tax.

Pensions are up to 20 per cent in real terms on the Tory level. Labour's new child benefit gives £4 a week per child for every mother. Disabled people have new benefits: a non-contributory invalidity pension, an invalid care allowance and a mobility allowance for people who can't walk.

## Record

The Labour Government will build on our record of achievement. Labour will:

1—As a next step towards a married couple pension of half gross average earnings and a single person's pension of one-third gross average earnings, increase pensions in November to about £35 for a married couple and £22 for a single person. Widows, invalidity and other long-term benefits will be increased in line.

2—As a step towards meeting our objective that families get as much help for their children when working as they do on short-term benefits, increase child benefit to £4.50 in November as a next step towards further help.

3—Give further cash and other help to one-parent families.

4—Raise the burial grant to a more realistic level.

5—Help disabled people, Labour will:

1—Work for the further implementation of Labour's Chronically Sick and Disabled Act.

2—Increase the Mobility Allowance again next October and continue to pay the mobility allowance beyond pension age without an upper age limit.

3—Introduce a new disability allowance to include the blind, varying according to the severity of disablement.

We oppose Tory proposals for higher prescription charges and charges for seeing a doctor or being in hospital. Our aim is to abolish all charges in the NHS.

## Spending

For all the talk of cuts, the truth is that the Labour Government is spending over £600m a year more on health in real terms than the Tories. Labour will devote a higher proportion of the nation's wealth to the health service, and the personal social services.

Labour's health priorities include a renewed shift from hospital treatment to care in the community through family doctors and health centres with supporting social services; a comprehensive family planning service within the NHS; more emphasis on the prevention of illness and handicap; a fairer share of health funds across the country; more help for the frail, elderly, the mentally ill and handicapped.

There would be better training and opportunities for nurses and all workers in the health services; a new career structure for hospital doctors; and a greater recognition and reward to those consultants whose only professional commitment is to the NHS.

We will streamline the bureaucratic and costly structure the Tories created and give a bigger say in running the NHS to the public and staff.

We are phasing-out the remaining private beds in NHS hospitals. We shall stop queue-jumping.

## Schools

Independent schools still represent a major obstacle to equality of opportunity. Labour's aim is to end, as soon as possible, fee-paying in such schools, while safeguarding schools for the handicapped. Labour will end as soon as possible the remaining public subsidies and public support to independent schools.

Under this Labour Government, the proportion of 3- and 4-year-olds in nursery classes and schools has doubled. Local authorities will be encouraged to do much more. Our aim is to provide nursery education for 90 per cent of our 4-year-olds and half of our 3-year-olds by the early 1980s.

We will provide a universal scheme of education and training for all 16-19 year olds, if necessary backed by statute. We will remove the financial barriers which prevent many young people from low income families from continuing their education after 16.

We will reintroduce legislation for income-related mandatory awards to all 16-18 year olds on all full-time courses.

Further education places have increased by 25,000 under Labour. We will substantially increase the opportunities for people from working-class backgrounds — particularly adults — to enter further and higher education. We want to see more workers given time off work for study. To this end, the places at the Open University have increased from 42,000 in 1974 to 80,000 in 1978.

We propose to extend the mandatory grant system. Labour will support the Adult Literacy Scheme and will ensure its continuation.

## Council estates

We reject the philosophy that tenants are second-class citizens. Labour has already published its new Housing Bill which will give a new deal to council tenants to give them security of tenure; the right to a written tenancy agreement; the right to improve the home; the right to take in lodgers; the right to be consulted on housing management decisions; easier residential qualifications; and a new national scheme to help tenants to move from one part of the country to another.

We will improve the quality of our less popular council estates, which will mean relaxing the rule under which improvements to estates less than 30 years old cannot attract Government subsidy.

Labour does not oppose the sale of council houses to sitting tenants of two years' standing who want to buy, so long as such sales are at a fair price and do not damage a local authority's ability to meet the demands for decent homes to rent.

But Labour will continue to oppose the sales of council housing in areas of serious housing need.

Labour also seeks to widen choice and we shall therefore continue to help those who wish to buy their own homes.

Labour will:

● Carry through its new home loan plan to give saving bonuses and interest-free loans of up to £800 to first-time buyers.

● Examine ways of expanding the scheme under which building societies lend to home-buyers nominated by local councils, particularly for older, sheltered properties.

● Introduce new ways of lowering the cost and speeding the process of house purchase. Labour has set up the Royal Commission on Legal Services, which will be reporting on conveyancing. Labour policy is to end the monopoly on house conveyancing now enjoyed by solicitors, and improve leasehold enfranchisement.

● Provide an annual "State of the Environment" report to Parliament.

● Ensure that, before the inquiry stage of major development proposals—perhaps two or three a year—the environmental effects are subject to detailed analysis and the report published.

● Introduce an extended clean-up campaign—"Making Britain Clean and Green," and start a real drive by local authorities and voluntary groups to clear up derelict land, and use it to the benefit of the community.

The majority of our people still depend on public transport. Labour believes in maintaining and improving within an integrated transport system. We will encourage closer co-ordination at local level between road and rail.

Under Labour, there will never be another Beeching. We will maintain the present rail network and increase investment in the future. As much freight as possible must be carried by rail; and the scheme whereby companies receive grants for installing railway facilities will be extended.

## Renting decline

With the growth of home ownership and council housing, private renting has entered an irreversible decline. We stand by the principles of security of tenure and rent regulations, and will legislate to close loopholes in the Rent Acts.

We shall continue to encourage socially-accountable landlords—local authorities, housing associations and housing co-operatives—to take over privately rented property except where an owner-occupier lets part of his own home.

Labour will give private tenants access to improvement grants on the same basis as owners. We shall make it easier for a tenant to force a landlord to do necessary repairs.

We will set up a new Housing Tribunal to replace the present confusing jumble of courts, tribunals and committees dealing with rents, security of tenure and other housing problems.

On building and construction, the manifesto says: A well-organised and efficient construction industry is essential to the achievement of many of our economic and social objectives.

Labour will:

● Plan and co-ordinate public sector demand on the industry, in order to help stabilise the industry's workload.

● Press forward with plans for de-casualisation and job security in the industry, building on the work of the Construction Industry Manpower Board, and giving their proposed registration scheme statutory backing if necessary.

● Encourage the development of building workers' co-operatives.

● Expand local authority direct labour organisations, ensuring that they are efficiently run as separate municipal enterprises, publicly accountable for their performance, and with inspectors clearly seen to be independent.

In the ports industry, we reaffirm our policy to bring commercial ports and cargo handling into public ownership.

A central theme of our programme for the eighties is the protection and enhancement of our democracy.

The time has come to recognise the increasing desire of employees to have a larger say in the decisions which vitally affect their working lives and jobs. We also wish to harness their energies and experience in a positive partnership to improve our industrial relationships in a way which reduced conflict and increased co-operation.

We therefore commit the Labour Government to a major extension of industrial democracy. Democratic practice and good industrial relations means single status in industry and a dignified respect for all workers, whatever their plant grading.

We will encourage recognised trade unions to establish joint representation committees in all companies employing more than 500 people, and place a legal obligation on employers to discuss company plans with these committees. We will establish an Industrial Democracy Commission to stimulate and monitor schemes of industrial democracy in the private sector and nationalised industries.

We must bring back more jobs to these areas. Our national industrial policy will be used to bring investment to the inner cities. We will mount a concerted effort to stimulate the development of small firms and worker co-operatives in these areas.

We will bring about during the lifetime of the next Parliament a further increase in the expenditure earmarked for refurbishing our inner cities for education, for housing, and for social services.

The Labour Government will take measures to arrest the decline in the quality of life in rural areas. We will increase the funds available to the Development Commission, and widen its scope. We will re-establish the Rural Development Boards in England and ensure that the Co-operative Development Agency, the NEB, the Tourist Boards and the Manpower Services Commission play an active role in rural job creation. We shall encourage new forms of agriculture such as fish farming.

Labour is proud of its record on environmental matters. Our Standing Royal Commission on Environmental Pollution has set the pace for advance.

For the future, however, we will have to give still higher priority to this important issue.

Labour will:

● Develop policies for resource conservation.

● Use our campaign for a better environment to provide the basis of secure employment, e.g. in pollution control and in waste recycling.

● Further reduce the lead content in petrol.

● Provide an annual "State of the Environment" report to Parliament.

● Ensure that, before the inquiry stage of major development proposals—perhaps two or three a year—the environmental effects are subject to detailed analysis and the report published.

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For our evidence the offer price of Gartmore Commodity Share Units on 5th April, 1979 was 184.0p with an estimated gross yield of 3.51%.

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## FINANCE AND THE FAMILY

### Joint premium bonds

BY OUR LEGAL STAFF

Many years ago I bought some premium bonds on behalf of each of my two minor daughters, telling them that any prize was to be shared. Following the introduction of a capital transfer tax, I made a sworn statement that my intention ab initio was that any prize was to be shared equally. Do you think this would avoid CGT in the event one of them won a major prize and transferred half to the other?

#### Life assurance premiums

I understand that as from April 6, life assurance premiums eligible for tax relief are limited to the greater of £1,500 or 1% of taxable income. Could you please tell me how this applies to married couples who have elected for separate taxation of wife's earnings?

The answer to your questions are to be found in paragraphs 9 and 10 of schedule 4 to the Finance Act 1976.

The £1,500 (or one-sixth of total income, before allowances) limit will apply to a married couple jointly, regardless of an election for separate taxation of the wife's earnings. Similarly, a wife's earnings election will not however penalise policies taken out by one spouse on the life of the other.

#### The wind in the trees

Our neighbours complain that the wind which blows through two trees in our front garden keeps them awake at night.

Could I be compelled by a Court to remove the trees? If so, could I then erect a fence to the height of 2 metres without planning permission?

We very much doubt if the noise complained of is sufficient to constitute a nuisance in the legal meaning of that term. If the court held that the noise did constitute an actionable nuisance, you would have to abate it, if necessary by removing the trees. You could then erect a fence up to 2 metres in height (if it does not abut on a road); if that would not interfere with any established

side only? The normal presumption which may be displaced by local custom or by evidence of actual acts of ownership is that the boundary, where there is an artificial ditch with a bank on which there is a hedge, lies on the side of the ditch further from the hedge or bank. If the water course is not artificial the boundary will be presumed to be along the centre line of the watercourse. A hedge alone will not be presumed to have a boundary running in the middle of the hedge—the presumption is that it was planted by the owner of one of the two pieces of land which it divides on his own soil, so that evidence would be required to show where the hedge is. A stream

on its own will have a presumed boundary in the middle of its course.

**Gains on shares**

I have gains on shares of £1,000 for 1978-79. I also have gains of £1,300 on an investment trust. Will I have any Capital Gains Tax at all to pay?

Assuming that the investment trust shares were fully qualifying (under section 112 of the Finance Act 1972) and that none of the other shares were partly qualifying, there will be no CGT liability for 1978-79 even if you realise further chargeable gains of £174.

Qualifying gains ..... 1,300

Other gains ..... 1,744

Taxable amount ..... £2,474

CGT payable @ 15% on ..... £1,474 = £221.10

less: Credit @ 17% on ..... £1,300 = £221.00

Nominal CGT liability ..... 0.10

**Possession of a house**

I am thinking of buying a flat in an old house, to which I would like to retire, but to let furnished in the meantime.

How can I ensure that I get possession when required? Must I employ a solicitor to arrange tenancies?

There is no sure way of getting the tenants out if you do not personally go into occupation of part of the building as owner, except in the case of holiday lettings. You can make a letting with a warning to the tenants that you may require the premises for retirement, but this will only be effective in the case of a new letting when you are the owner of the property. It is not essential to employ a solicitor; but it would undoubtedly be wise to do so.

**Presumption as to boundary**

In cases where the deeds are unclear, are there conventions to indicate the precise position of the boundary between properties (a) where there is a hedge with a ditch on one side only (b) where there is a stream with a hedge on one

side only? The normal presumption which may be displaced by local custom or by evidence of actual acts of ownership is that the boundary, where there is an artificial ditch with a bank on which there is a hedge, lies on the side of the ditch further from the hedge or bank. If the water course is not artificial the boundary will be presumed to be along the centre line of the watercourse. A hedge alone will not be presumed to have a boundary running in the middle of the hedge—the presumption is that it was planted by the owner of one of the two pieces of land which it divides on his own soil, so that evidence would be required to show where the hedge is. A stream

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### Returning from abroad

Referring to your reply under "Returning from abroad" (February 17), could you indicate whether a British citizen of UK domicile, returning to the UK after many years abroad, would be designated a UK resident for exchange control purposes if he buys a house in the UK but (a) spends less than six months in each year in the UK, (b) more than six months each year in the UK, (c) he does not acquire a home in the UK and only spends part of each year there?

Where a returning citizen, who holds foreign stocks and shares, is designated as resident for exchange control purposes can he switch investments abroad, assuming the proceeds of a sale are briefly held in foreign accounts? Can he retain or switch into shares in foreign investment funds/trusts?

You should ask your UK bank for a copy of the free guide to UK Exchange Control, which is issued by the Bank of England for distribution by banks to intending immigrants and new residents, etc. Residence for exchange control purposes is not determined by such precise rules as residence for tax

purposes, and in the three borderline situations you mention might well be allowed to retain his existing external status, if he wished to do so and the Bank of England were satisfied that he was not trying to exploit his status by artificial arrangements.

A UK citizen designated a resident of the UK (British Islands) for exchange control purposes cannot normally acquire foreign portfolio investments without going through the investment currency (premium) market. The proceeds of investments acquired while resident outside the Scheduled Territories would not normally be eligible for sale in the investment currency market, nor for reinvestment.

Indeed one reader of the Financial Times, Mr. P. R. James of Huelcote in Gloucestershire, was moved to write to the editor after being surprised, on reading reports of a recent decision of the Court of Appeal in *Leppard v. Excess Insurance*, where the Court ruled that market value, not reconstruction cost, was the proper measure of indemnity.

Before considering Mr. James' comments let us have a closer look at the facts of *Leppard v. Excess* which so far has been reported only in the

Solicitors' Journal of March 16. Mr. Leppard bought a cottage for £1,500 in 1972, kept it empty and tried to resell it at a profit. By October 1975 he was asking £4,400 for it, although a year earlier he had insured it for £10,000 and at 1975 renewal had increased that sum to £14,000. In October 1975, while the cottage remained empty and unsold, it was destroyed by fire and Mr. Leppard claimed for the cost of reinstatement. On the facts in issue, the court found that Mr. Leppard would be indemnified if he were paid to the pre-fire market value of the property less the value of the land which he still had. The dispute wound its way to the Court of Appeal and the judges there were unanimous that insurers were correct in saying that Mr. Leppard should receive only £3,000, this being £4,500, the pre-fire value of the property less £1,500 for the land.

Remember that this was not a home in occupation, not even a summer or weekend second home. It was a cottage that the owner was at all times intent on selling. This being so it would have been a nonsense to require insurers to pay £5,000 for reconstruction when the market value of that work would on completion be worth only £3,000. It is scarcely credible that Mr. Leppard would have spent his own money in this way if uninsured.

I think that both insurers and the court would have taken a very different view if Mr. Leppard had been in occupation, not trying to sell, and moreover had been unable to buy any other similar property in the locality when his home had burnt down. Indeed I doubt that in those circumstances insurers would have contended Mr. Leppard's right to reinstatement.

True, the "normal" household policy gives insurers the option to pay cash or to repair or reinstate. True the Court of Appeal have vindicated insurers' right to exercise that option, allowing them to settle for a lesser sum than the reinstatement sum insured. But remember the particular facts of the claim and ask yourselves—was it reasonable for Mr. Leppard to expect more than £3,000?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

### INSURANCE

JOHN PHILIP

WHEN YOU insure your home against damage or destruction you have to fix your own sum insured. Your prospective insurers will not do this for you though they may well provide you with a copy of the leaflet produced last year by the British Insurance Association entitled "A guide to building insurers for the home owner."







## YOUR SAVINGS AND INVESTMENTS 2

## Is Crown's top hat too much?

CROWN LIFE ASSURANCE raised a few eyebrows this week with the launch of a bright new idea to help top executives avoid tax.

Until now Crown, a Canadian company which is very much part of the Life Offices Association establishment, has not been known for racy innovations. For its debut in the controversial field of creative tax planning, the company is blazing a trail in the executive retirement field.

## Hybrid

Crown started out with two of the most tax-efficient vehicles enjoying unstinted inland Revenue blessing—pensions and "greenhouse" plans—and added a bit of lateral thinking. The result is a lustrous hybrid which allows top executives to invest the large tax-free lump sums they get at retirement as part of their pension arrangements in a lightly-taxed fund. The money can remain to build up indefinitely in the fund or be progressively tapped by the pensioner to boost his standard of living. Withdrawals are subject only to capital gains tax and in most cases not much of this.

It is an elegant idea. The only trouble is: what does the Revenue think?

## Opinion

"Top hat" pension schemes—schemes where the employer's contributions are stepped up to fund the maximum allowable retirement benefits—are already the most tax-efficient way of rewarding top executives; and their best feature is the tax-free lump sum of up to 1½ times salary.

Greenhouse plans—flexible unit-linked insurance plans—are, as I pointed out last week, one of the best ways of protecting large capital sums from high tax. The trouble is they have a 10-year growing period before they can be tapped—and this is too long for a man starting at 65.

The company can take out insurance plans on its executives' lives since it has an insurable interest: profits could be affected if a key executive dies early. The company cannot, however, claim the premiums as an expense against corporation tax.

When the executive retires, he buys these savings plans

from the company. The logical price for the deal is the bid value of the units—the amount which Crown Life would pay if the plans were cashed-in. He then makes these policies paid-up and leaves the money in the life fund as long as he wants.

The only tax to be paid on any withdrawals he makes is capital gains tax. The gains tax formula is complex, but Crown Life's literature explains this in detail; with examples: the charge rises with length of investment, but in the early years after he buys the plans it is low. In any case, the executive is far better off than if he invested the lump sum directly, then he would suffer income tax, as well as often at high rates.

Crown could well upset the Inland Revenue on two counts: ● Crown's savings contract, with minimum death cover, is a most expensive way of covering the loss of profits through the death of an executive. The usual form of "key man" insurance is provided by a straight term policy, which provides pure and hence extremely cheap cover. Crown's scheme is based on a wide interpretation of the 1974 Life Assurance Act which defines insurable interest.

● It would be virtually impossible for the beneficiary to do this scheme off his own bat.

Arguably he could borrow the premiums from the company on the security of his pension benefits—a practice which is starting to appear. Or he could buy a life policy at the special auctions held by Foster and Cranfield. But these methods are cumbersome and inconvenient compared to the Crown Life scheme.

## Relief

On the other hand, the Revenue may look kindly on this scheme since the company's outlay, before the executive's retirement, is not offset against the corporation tax bill. Neither is there any life insurance premium relief.

Allan Duggin, Crown's managing director and actuary, points out that the company takes great care to scrutinise its new policies to ensure that they conform to the spirit as well as the letter of tax law. The company has, for instance, refused offers to enter the "personalised" bond market, on the grounds that personalised bonds, using life insurance tax advantages artificially, are provocative. He says: "I believe this scheme is within the spirit of the law because it incorporates many of the features approved by the Revenue. The scheme has been



Duggin: no adverse comment

submitted to the Revenue and the Department of Trade with no adverse comment."

The record certainly bears out the view that Crown is sensitive to the life insurance industry's desire to co-operate with the Revenue. Whether Crown is right in this case only time will tell. But there is little doubt that the insurance industry is worried that the state of tax planning schemes will bring about heavy Revenue retribution.

ERIC SHORT

ICI is the stock market's bell-wether—but the message in its wanderings is surprisingly perverse. Nicholas Colchester finds out

## Cracking ICI's code

WHY IS the stock market so bullish when Imperial Chemical Industries is so bearish? The Lex column asked three weeks ago, before election fever provided one obvious answer. Richard Heseltine, financial adviser to the chairman of ICI, International, points out that this paradox has been so consistent over the past decade that he has come to regard the immediate outlook for ICI as a perverse market indicator. The gloomier the faces at ICI, the more bullish about the stock market he becomes.

market showed little net change with the FT Index falling 3 per cent. In the five years when ICI's pre-tax profits rose—by an average of 63.7 per cent—the FT Index tumbled by an average of 25.3 per cent.

Croda's post hoc explanation is that all these conditions which are poison to a stock market—weak sterling, over-

heated economy, rising interest rates—give ICI the throughput and price which a chemical company requires to make profits.

Looking at it another way, the stock market is a leading indicator for the economy. Its good years are thus likely to coincide with good years for industrial sectors which lead the

economy up, such as the retail trade and building materials business. ICI is part of a basic industry to which demand must filter through. By the time ICI blossoms it is the beginning of the end.

The upshot is that our Chemicals Correspondent is required reading for all small investors. This paradox should also promote greater understanding of shareholders in the ICI boardroom. At AGMs after good years shareholders should be morose, after bad years unaccountably forgiving.

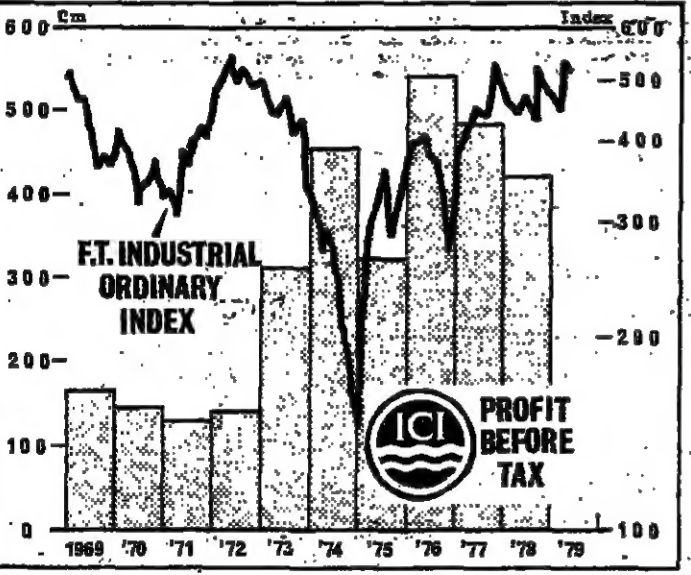
## Delphic

As for the current year, the ICI system produces rather a delphic forecast for the development of the FT Index. Analysis are currently predicting pre-tax profits for 1979 of between £480m and £500m—up from £420m last year. So the Index, which started 1979 at 470.9 and is now above 520, should show a fall over the year.

But against this must be set the great uncertainty at this early stage and recent gloomy messages from ICI executives about the impact of the rise in the naptha price on ICI's costs.

## Bumper

Croda first woke up to this phenomenon in 1974. This was a bumper year for chemical company profits (though a lot of this was inflation), yet all Croda's equity investments performed miserably as the FT 30-Share Index dropped 53 per cent in the course of 15 months. Looking back over the last ten years there are five years for which ICI reported reduced profits—by an average of 10.4 per cent. In four of these years the stock market posted sharp gains with the FT Index up by an average of 53.9 per cent. In the last of them, 1978, the



## Spending the profits of fine tuning

JOHN AGNEW became chairman of the Gold Fields group in 1933, after the depression. Rudolph Agnew, his grandson, became chief executive last year, after the recession. There is a neat historical parallel in that both men took over at a time of rising profits.

The difference is that when John took over, Gold Fields had not paid any dividends for two years, and its international investment programme was in ruins. Only when the UK abandoned the gold standard in 1931 did the group's gold mines start to revive.

Rudolph on the other hand took over after a pause in the group's profits growth. Last year income climbed back to the level of 1974. And in the six months to last December, the net attributable profits at £21.3m were 40 per cent higher than in the same period of 1977.

John, in effect, had to re-build the group. Indeed, he launched it on a second phase of its history. The 1960s, a decade of great expansion, was a third phase in its development. Mr. Rudolph Agnew is wedded to the need to increase earnings per share, but is searching for a balance between this and the necessity to spend on development now so that greater profits emerge later.

"I hope to be able to make this company sufficiently wealthy to enable us to spend more money on mining exploration and development, and to take the risks basically inherent in mining," he said.

tion materials subsidiary, from Tennants, the metals trader, and from Alkermes, the beer dispensing systems manufacturer.

Against all this, earnings from coal were reduced and results from North America were held back by heavier exploration expenditure and spending on mining properties like that at Ortiz, a New Mexico silver venture. Further, beach sands operations are only just beginning to recover from depressed market conditions, while the iron ore trade from Mount Goldsworthy in Western Australia is still be-

ing hurt by the recession in the steel industry.

The rising trend in earnings suggests that in the next few years Gold Fields will be in a position to launch a fourth phase in its development. Mr. Rudolph Agnew is wedded to the need to increase earnings per share, but is searching for a balance between this and the necessity to spend on development now so that greater profits emerge later.

"I hope to be able to make this company sufficiently wealthy to enable us to spend more money on mining exploration and development, and to take the risks basically inherent in mining," he said.

In this search for wealth, he draws a distinction between earnings and cash generation, implicitly making the point that the industrial and mining sides of the Gold Fields group are interdependent and that future expansion is likely to be down both lines.

"The industrial side is the less volatile in terms of earnings. We are striving very hard to find non-volatile industrial concerns so you can map read off your earnings growth on the industrial front. But the industrial front is not as good a generator of cash as a good mine. The successful mining ventures are necessary to generate cash," he noted.

likely areas of expansion are steel trading in the U.S., the growth of specialist manufacturing related to metals fabrication.

"We are not going into the petrochemical business," Mr. Agnew said, and the spread of Amey Roadstone's operations overseas.

The mines, of course, are where they are found, but even in this sector policy decisions are necessary. There is a case for seeking the small deposit with low development costs and a quick cash flow. This course is being followed in North America, but is not proven as a way forward to the size of profits the group wants to generate.

The big profits come from the big deposits, but they come only after huge capital expenditure—often beyond the scope of a single mining house. Thus Gold Fields is in a £121m joint venture with Phelps Dodge of the U.S. to bring the Black Mountain base metals deposits in South Africa to production.

The policy decisions, then, come in seeking the balance between the large and the small mining ventures. But much also depends on the mineral involved. "If we had a potential West Brierfield (a South African gold mine), we would strain every sinew to

finance it. Mining Area "C" (a Western Australian iron ore prospect) doesn't justify that commitment," Mr. Agnew said.

"Gold Fields, in short, is looking for a new role in the 1980s. But it is likely to be a role financed by internal growth. The days of the frequent rights issues, which caused anguish in the City, seem to have passed.

The timing of expansion will naturally be vital. Gold Fields will presumably seek to avoid the misfortunes of Union Minière, the Belgian group, which this week announced a dividend for 1978 of Bfr 400 (£8.49). Dividend payments have declined steadily since 1974 when they were Bfr 950.

Deprived of earnings from its former mines in Zaire, Union Minière has invested some of the compensation it received during 1974 and 1976 in North American copper and zinc enterprises. The Thierry copper venture in Ontario came on stream in 1976 and has so far failed to make a profit. The zinc ventures in the U.S. have been badly affected by depressed markets.

Union Minière's problems hurt Tanzanika Concessions, which holds a 17.6 per cent stake. This has been reflected in the Tanks share price which,

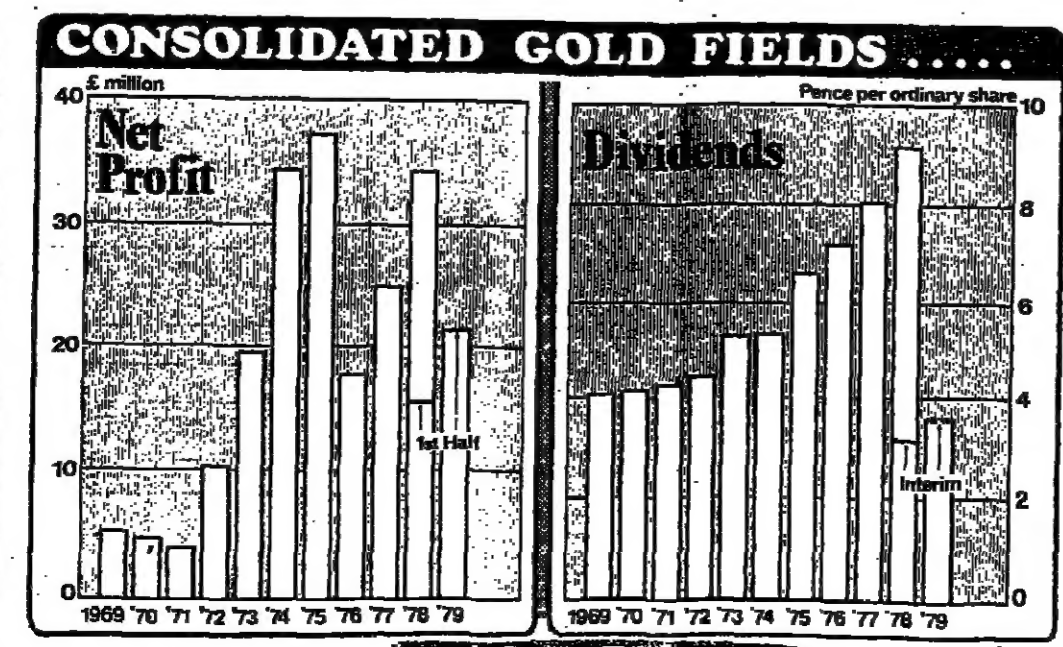
this week, has fallen 3p to 182p.

But the shares which have had the roughest ride in recent days have been the nuclear power related stocks on Wall Street and uranium in Sydney, as markets have reacted to the accident at the Three Mile Island nuclear reactor in Pennsylvania.

The immediate conclusion drawn from the events in Pennsylvania was that the coal industry would benefit. The broad lines of U.S. coal policy have been in place for some time, but it has been clear for at least two years that President Carter's target of domestic coal production of 1.2bn tonnes a year by 1985 would not be met.

The difficulty has been in creating the sort of regulatory environment in which the industry would make a greater effort to meet the target. At present there is much criticism in the industry by the regulations attached to the Surface Mining Control and Reclamation Act of 1977.

It seems likely that more attention will now be paid to working out how best to apply the existing coal expansion policy—how, indeed, to find a balance between care for the environment and the need for fuel.



A major problem for expatriates has been that the capital they have built up abroad is suddenly subjected to high British taxes once they come home. Now the unit trust industry has achieved a major breakthrough in a new plan which allows expatriates' money to continue to build up tax-free after they return. Eamonn Fingleton reports

## The best of all worlds

EXPATRIATES CAN now have their cake and eat it.

Not only can they use their tax-free status abroad to cream off a small fortune out of income but they can then return home leaving their capital offshore indefinitely to continue to grow almost completely free of tax.

They have the right to tap it any time after 10 years and, when they do so, the proceeds are completely tax-free. In the meantime they can switch their money around if comprehensive change in offshore unit trusts to make the most of investment opportunities worldwide.

In this best of all worlds, therefore, they are now guaranteed tax advantages normally only available through pension plans and they enjoy flexibility which they could hardly have if they played the stock market as direct investors.

This unbeatable combination has resulted from a recent change in Inland Revenue practice following talks with the unit trust industry.

The vehicle is flexible, open-ended, unlinked, regular premium insurance plan based in a suitable tax haven—probably the Isle of Man or Bermuda.

The first such plans were launched by the Tyndall unit trust group 18 months ago. But

at first they suffered the major handicap that their tax advantages were not guaranteed.

This was because each individual policyholder had to await a verdict from the Inland Revenue on whether the policy would be treated as "qualifying" for tax purposes. The Revenue's original practice was to defer its verdict on these policies until the expatriate returned to Britain.

Now the Revenue is vetting the plans at the time of issue and giving those that meet appropriate conditions a binding guarantee that they will be treated as qualifying. Qualifying status is important later—because non-qualifying policies are liable to tax when they are cashed-in.

To take advantage, you need to be classified as "non-resident" by the Inland Revenue and the Bank of England. In most cases you can acquire this status as soon as you go abroad to work provided your employer certifies that your intention is that you will continue in the foreign job for at least three years.

Once your policy is approved by the taxman, its qualifying status can be retained even if, perhaps because of illness, you have to cut short your stay abroad.

You can continue paying the

premiums when you return home—though, of course, you will miss out on the usual 17½ per cent tax credit you would get on most life policies.

You have to pay full premiums for a minimum of 10 years and afterwards you need pay only a peppercorn premium—usually just a few pounds a year—to keep the policy in force and qualifying.

The improved tax position encouraged the Save and Prosper group to enter the field a few months ago. The Vanbrugh Group, a leader in greenhouse plans (of which these schemes are a variant), is among several other unit-linked offices likely to launch a similar plan.

And the Phoenix group, which already has a plan on the market offering some of the features of the Tyndall and Save and Prosper schemes, is now working on a full-blown version which will be out by the summer.

The Save and Prosper scheme is arguably the best so far. Although the charges are higher than Tyndall's, Save and Prosper's plan offers greater investment choice: the investor can switch from foreign currency investments into sterling investments again without currency premium complications.

You can continue paying the

## A best buy for the self-employed

TERM INSURANCE is the cheapest form of life cover. But for anyone not in a company pension scheme, there is a little-known variation on term cover that is cheaper still, provided he is a taxpayer.

People in non-pensionable jobs can claim full tax relief on premiums for life policies written under section 226 of the 1970 Income Tax Act—sub-section (a) deals with life policies.

Term policies provide "pure" life cover—in the form of either a lump sum or an income payable to the policyholder's family if he dies within an agreed period.

There are a couple of minor disadvantages in using this route:

● The policy cannot be written in trust, so the proceeds on the policyholder's death go to his estate instead of direct to his family. This means there may be a considerable delay before

his family get the money. ● You may have a wait for tax relief. By contrast, if you buy ordinary term insurance you will, from next month, get tax relief immediately because you will pay the premiums net. With section 226 policies, you pay the premium gross and

## LIFE POLICIES

ERIC SHORT

claim relief from your tax inspector. The self-employed are used to dealing with the Revenue in this way but most employed people are not.

Life companies have only recently marketed section 226 policies to the self-employed and others. Premium rates are calculated differently from those for the usual term policies. But in reality the basic cost of the

policies differs little from ordinary term policies. The advantage lies in the tax relief.

This privilege applies as much to people working for companies without pension schemes as to the self-employed. And although section 226 life policies are usually provided as part of a self-employed pension package, they do not have to be.

Thus the basic rate taxpayer can get 33 per cent relief compared with 17½ per cent from next month on premiums on ordinary term policies.

Consider this example. A 29-year-old man takes out a family income benefit policy providing cover of £2,000 a year over a 20-year period. The normal annual premium Equitable Life, for instance, would charge is £21.40 gross—£17.65 net of tax relief at 17½ per cent. A section 226 policy would cost £22.90 before tax relief. But after tax relief, the cost would

be only £20.40 for a 60 per cent taxpayer.

Very few other life companies, however, provide family income benefit policies under section 226. One of the few is the Ecclesiastical Life, which does not pay commission. It has just launched a new policy where the income benefits escalate. Most life companies confine themselves to lump-sum term insurance and the table shows the best rates available.

## FULL-TAX RELIEF ON LIFE POLICIES

The annual cost before tax relief of a section 226 policy providing lump sum cover of £20,000 for a man now aged 44. The cover continues until he reaches 65.

	£	% of annual cost
London Life	141.60	
Phoenix	142.20	
Equitable Life	145.00	
Ecclesiastical Life	146.00	

## F.T.-ACTUARIES SHARE INDICES

## QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at March 30, 1979, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for December 29, 1978, both before and after the 1978 year-end changes.

EQUITY GROUPS & SUB-SECTIONS		Market capitalisation as at March 30 1979 (\$m.)	% of all Share Index	Market capitalisation as at Dec. 29 1978 (\$m.)	% of all Share Index	Market capitalisation as at Dec. 29 1978 (\$m.)	% of all Share Index
(Figures in parentheses denote number of stocks)							
1	CAPITAL GOODS GROUP (172)	11,164.4	15.30	9,537.9	15.06	9,537.0	15.06
2	Building Materials (27)	2,058.5	2.76	1,668.4	2.77	1,668.4	2.76
3	Contracting, Construction (28)	1,010.8	1.38	874.7	1.46	874.7	1.46
4	Electricals (14)	2,289.1	3.22	2,660.3	4.37	2,660.3	4.37
5	Engineering Contractors (12)	569.2	0.80	555.7	0.92	555.7	0.92
6	Mechanical Engineering (75)	3,071.2	4.21	3,568.0	4.43	3,568.0	4.43
8	Metals and Metal Forming (16)	1,222.8	1.66	1,090.9	1.81	1,090.9	1.81
11 CONSUMER GOODS (DURABLE) GROUP (53)		3,261.5	4.46	3,746.0	4.97	3,746.0	4.98
12	Lt. Electronics, Radio, TV (16)	2,098.6	2.86	1,651.1	2.71	1,651.1	2.78
13	Household Goods (12)	219.8	0.30	301.5	0.50	301.5	0.50
14	Motors and Distributors (25)	956.1	1.31	913.4	1.52	913.4	1.55
21 CONSUMER GOODS (NON-DURABLE) GROUP (170)		19,344.1	26.51	15,850.7	26.56	15,850.7	27.07
22	Breweries (14)	2,101.5	2.88	1,774.3	2.93	1,774.3	3.02
23	Wines and Spirits (6)	1,072.2	1.47	874.4	1.45	874.4	1.46
24	Entertainment, Catering (17)	1,695.3	2.32	1,541.1	2.51	1,541.1	2.39
25	Food Manufacturing (19)	2,851.2	3.89	2,459.2	4.09	2,459.2	4.19
26	Food Retailing (15)	1,460.4	1.99	1,118.1	1.85	1,118.1	1.90
27	Newspapers, Publishing (12)	280.1	0.40	283.3	0.50	283.3	0.40
28	Packaging and Paper (15)	1,032.2	1.42	899.1	1.50	899.1	1.50
29	Stores (40)	5,756.6	7.88	4,356.5	7.20	4,356.5	7.45
30	Textiles (23)	1,028.0	1.41	929.4	1.53	929.4	1.57
31	Tobaccos (3)	2,000.6	2.74	1,708.4	2.84	1,708.4	2.91
32	Toys and Games (6)	83.0	0.11	80.1	0.13	80.1	0.14
37	OTHER GROUPS (59)	10,558.5	14.44	9,755.5	14.93	9,755.5	15.20
42	Chemicals (18)	3,396.9	4.65	3,000.5	4.99	3,000.5	5.11
43	Pharmaceutical Products (7)	2,122.5	2.89	1,867.6	3.11	1,867.6	3.18
44	Office Equipment (6)	790.1	1.08	601.4	1.00	601.4	1.03
45	Shipping (10)	2,020.1	2.75	1,625.5	2.69	1,625.5	2.94
46	Miscellaneous (58)	2,590.6	3.52	2,943.3	4.89	2,943.3	6.08
49	INDUSTRIAL GROUP (494)	44,288.8	60.71	37,109.3	61.72	37,109.3	62.96
51	Oils (6)	9,019.9	12.36	8,864.5	11.40	8,864.5	12.68
59	500 SHARE INDEX	53,512.4	72.07	43,962.7	72.12	43,962.7	74.94
61	FINANCIAL GROUP (115)	12,435.8	17.04	10,123.4	16.84	9,815.8	16.73
62	Banks (6)	5,465.9	7.48	4,767.5	7.85	4,767.5	7.72
63	Discount Houses (10)	100.1	0.14	131.9	0.22	131.9	0.27
64	Hire Purchase (5)	846.6	1.15	817.1	1.36	817.1	0.97
65	Insurance (Life) (10)	1,219.7	1.67	993.3	1.65	993.3	1.69
66	Insurance (Composite) (7)	2,708.5	3.71	2,328.5	3.87	2,328.5	3.96
67	Insurance Brokers (10)	905.8	1.24	721.0	1.20	721.0	1.23
68	Merchant Banks (14)	491.9	0.68	371.0	0.62	371.0	0.63
69	Property (43)	2,785.2	3.74	2,607.2	4.29	2,607.2	3.17
70	Miscellaneous (10)	521.1	0.75	497.4	0.85	497.1	0.75
71	Investment Trusts (111)	4,211.8	5.77	3,683.1	6.12	2,841.3	4.35
81	Mining Finance (4)	1,360.7	1.89	1,081.3	1.80	1,081.3	1.64
91	Overseas Traders (20)	1,626.7	2.22	1,274.9	2.13	1,266.0	2.16
99	ALL-SHARE INDEX (750)	72,978.4	100.0	60,125.4	100.0	58,665.0	100.0
* After allowance made for year-end changes.							



## THE WEEK IN THE MARKETS

## Profit-taking in equities, MLR cut cheers gilts

After the excitement that greeted the Conservative parliamentary victory, the stock market should sober up a little this week. The Budget over which it had been agonising for months was never presented, and the week was dominated by profit-taking in equities.

The Chancellor did manage, though, to wrong-foot the gilt-edged market in his brief financial statement on Tuesday. A cut in Minimum Lending Rate, which the outgoing Government was expected to find irresistible for electoral purposes, failed to materialise. Only for the Bank of England to drop the rate by a point to 12 per cent on Thursday. Heavy inflows into sterling, attracted by the very high interest rates available in London, have been causing concern, especially as the Bank of England has recently been trying to hold sterling down at the expense of inflating the domestic money supply.

More significant perhaps than the MLR cut was the Bank's policy decision to stop intervening in the foreign exchange market, following which the pound opened one per cent higher on a trade-weighted basis yesterday.

## GKN surprises

The equity market had its best day in a week on Thursday, when four of the FT 30-Share Index companies were reporting profits. The pleasant surprise for a market that has been worried about corporate profits was an excellent set of results from Guest Keen and Nettletons.

GKN provided a reason for believing that there may be a sound industrial base for the

market's recent strength rather than the monetary, oil and political arguments mostly cited for the upsurge in equity prices. Pre-tax profits for 1978 of £87.3m were a clear £7m over most external estimates thanks to an impressive contribution from German motor components and a strong activity in the general and civil engineering activities.

But the UK contribution offered very little cause for

## LONDON

## ONLOOKER

cheer. The domestic trading profit, which rose £3.8m to £58.5m, is still well below the 1974 level. Those who believe that Britain's role as the "workshop of the world" has been completely overtaken by the rapid growth of service industries need only look at the sparkling profits advance last year from Ladbroke.

The leisure group made £41m pre-tax last year against just £24m. Allocation of GKN's central management and interest costs is somewhat difficult but there is little reason to suppose that Ladbroke is earning very much more than £10m short of GKN's pre-tax profit in the UK.

Nevertheless, the market is still confident of further growth at GKN and much of that could come through from the new red mill in the UK which began its run-in phase in March last year. The mill's contribution, after some teething problems, is understood to have been minimal during 1978 but these difficulties are now thought to have

been solved and the market is pinning its hopes on something more than £100m pre-tax this time. Hoare Govett, for example, is estimating £101.5m, which would give earnings of 35.6p per share after a 54 per cent tax liability.

## Cadbury prospects

Cadbury Schweppes' sales have more than doubled since 1973—but in terms of profits per share its performance has been very dull. This is set to change in 1979. On Thursday, the group reported unchanged profits of £48.2m pre-tax for 1978, and forecast a "material" improvement in the coming year—a hope which some analysts are already translating into profits of £80m or more.

The theme being put across in presentations to the press and stockbrokers is that the group has changed its tactics in the recent past. During the early 1970s, it was constantly spinning out new brand names—sometimes at the expense of its established products—and attempting to widen its share of the housewife's shopping basket. Now it is concentrating much more on its big brand names, and cutting back businesses which have proved incapable of making decent returns.

The first benefits of this new approach should start to show through this year—which also ought to see recovery in Australia and Canada, together with growth in the U.S. There are still a number of question marks over the outlook for UK foods, for instance. But a dividend yield of around 9 per cent is beginning to look tempting.

The more exuberant analysts have been forecasting for three years now that Bowater was on

the point of breaking through £100m in pre-tax profits. As it is, low pulp prices and loss-making activities such as selling newspaper in the UK, coupled with the strength of sterling, have kept its 1978 profits on a plateau—at £90m against £87.2m in 1977.

This year currencies are still moving against the company, and the strengthening Canadian dollar may hurt Bowater's sales from Canadian mills in the U.S. But the fundamental background is improving. Pulp prices are higher and the outlook for profits in Bowater's packaging and international trading divisions is better. But heavy start-up costs at the new Tennessee paper mill may stop profits going much over £100m in 1979.

So shareholders may have to wait until 1980 for a real improvement subject to exchange fluctuations and the pulp cycle. Having paid an unchanged interim dividend, Bowater lifted its final by the maximum allowed, and the shares now yield 8½ per cent.

## Dalgety dines out

Dalgety intends to pay around £18m for a toe-hold in the U.S. \$100bn (\$48.4bn) North American "eat out" industry. Should all the necessary approvals be granted, it will acquire Martin-Brower, a food distributor that sold fresh, refrigerated and frozen foods plus packaging supplies worth £290m to McDonalds and seven other fast food chains in the year to June 30, 1978.

The move is in line with Dalgety's stated policy of building up assets in North America and thereby reducing dependence on its cyclical agricultural merchandising activities in

Australia and New Zealand. The aim is to have 33 per cent of assets eventually deployed in North America. Nine months ago only 14 per cent of assets were in that region.

Martin-Brower has enjoyed outstanding growth in both sales and profits in the last two years. Dalgety's projections suggest that earnings growth will slow down to something around 22 per cent in 1979, from more than 50 per cent in 1977-78. McDonalds and other fast food chains are still reporting profit and sales increases on the back of the continuing trend to eat more meals prepared outside the home. Some 18 per cent of U.S. consumer

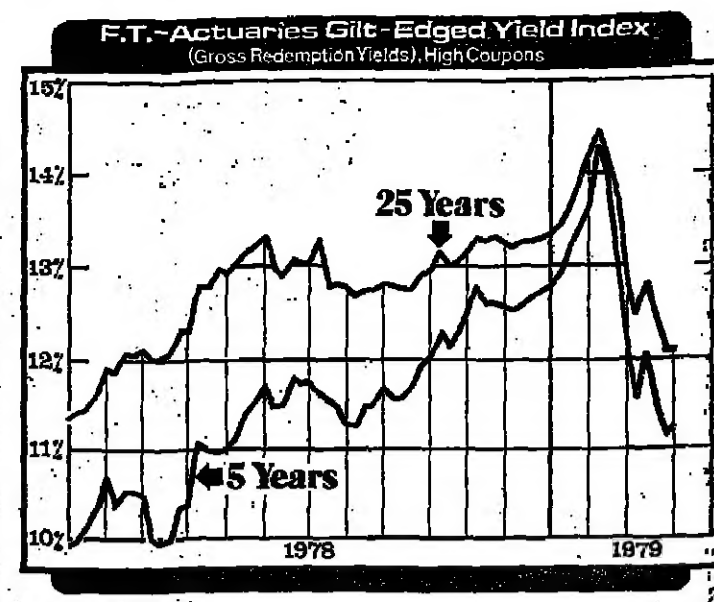
spending is on food and, in December last year, almost 30 per cent of that was on meals prepared away from home.

## TOP PERFORMING SECTORS IN FOUR WEEKS FROM MARCH 8

	% Change
Insurance (Life)	+16.4
Stores	+13.6
Entertainment, Catering	+12.9
Breweries	+12.7
Building Materials	+12.4
Newspapers, Publishing	+11.4
All-Share Index	+7.1

## THE WORST PERFORMERS

	% Change
Toys and Games	+1.3
Textiles	+1.2
Miscellaneous (Financial)	+1.1
Packaging and Paper	+0.3
Wines and Spirits	+0.3
Tobacco	-0.1



## MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	525.3	-5.5	540.8	444.1	Volatile despite MLR reduction
Govt. Secs. Index	75.06	-0.22	75.58	64.64	Firm undertone aided by sterling
Gold Mines Index	146.3	-8.6	183.8	136.2	Lower investment premium
A.B. Electronic	222	+16	228	152	Recent good interim results
B.P.M.A.	86	-10	100	60	Profit-taking after recent rise
Bambers	293	+73	293	113	Recent results & scrip issue
Black & Edgington	88	-14	102	87	Disappointing annual results
BB & EA	88	+17	88	45	Demand in thin market
Carron	86	+9	88	60	Good annual results
Edwards (Louis C.)	53	+12	53	24	Speculative interest
GKN	279	+16	286	226	Results well above estimates
Harris Queensway	232	-22	263	172	Profit-taking after recent strength
Man. Agency & Music	164	+18	171	107	Renewed speculative interest
Michael (J.)	33	+10	33	18	Persistent speculative demand
Norfolk Capital	53x	+18	55	32	Press comment
Peters Stores	45	-6	55	39	Disappointing interim results
Phoenix Assurance	264	-20	298	218	Disappointing results
Phoenix Timber	165	+20	168	122	Speculative demand
Sala Viscosa	58	-12	92	58	Increased loss
Sykes (H.)	80	-9	90	70	Annual profits setback

## U.K. INDICES

Average week to	April 6	Mar. 30	Mar. 23
FINANCIAL TIMES			
Govt. Secs.	75.05	74.42	72.39
Fixed Interest	76.39	75.09	73.10
Indust. Ord.	527.9	535.9	516.7
Gold Mines	148.7	157.0	163.3
Do (Ex 5 pm)	120.7	123.3	122.9
Dealings mld.	6,489	8,444	6,603
FT ACTUARIES			
Capital Gds.	268.35	272.29	260.42
Consumer (Durable)	241.61	245.45	235.84
Cons. (Non-Durable)	250.78	252.31	247.84
Ind. Group	255.52	258.60	248.25
500-Share	289.22	290.76	278.82
Financial Gp.	203.45	205.33	197.52
All-Share	265.12	267.04	254.92
Red. Debs.	59.18	57.67	56.49

## Variety shows

BROADWAY, AS everyone knows is the traditional home of New York theatre, but you have really got to hand it to the boys on Wall Street for mounting one of the best current productions in town. It is who is bowed down by the dangers of nuclear power, U.S. inflation, the rising cost of energy, the prospect of economic recession, shutdown of the nation's leading hauliers and sundry other concerns need only focus on the UK stock market

## NEW YORK

## JOHN WYLES

to be transported into a positive Disneyland of distraction.

In the past week, the audience has gasped at the high kicking oil stocks, purred at the beauty of the glimmers, laughed at the knock-out routines of the department stores and bowed at the villainous antics of the nuclear plant manufacturers. It has been a veritable feast of the senses, with trading volume indicating a packed house and a rosy-cheeked master of ceremonies at the front door shepherding in the eager investors. The unlikely occupant of this vital role is none other than the dollar, once fallen from grace and unable to remember its lines, but now growing in confidence and earning good reviews in the foreign exchange market.

After accomplishing a 7.1 per cent gain in the first quarter of the year, the Dow Jones Industrial Average has drawn great comfort this week from the prowess of the U.S. currency. Its importance is two-fold. A rising dollar removes at least one source of pressure on domestic interest rates whose stability this year is a welcome contrast to investors after the inexorable increases of 1977-78. But it is also bringing the return of the foreign investors whose interest in American stocks has recently offset the cautious and occasionally surly scepticism of the domestic institutional investor. As a result there is some confidence among the producers of the Wall Street that their show "exciting equities or how I learned to love the Dow" can look forward to a reasonably good run.

The stars may, of course, be recast from time to time. Anticipation of President Carter's

energy statement, finally broadcast on Thursday evening, has made the oil stocks everybody's darlings. The group has been establishing new peaks—Superior Oil climbed yesterday to breathtaking 378, far and away the highest price of New York Stock Exchange—as investors look forward to the vastly increased revenues expected to flow from the President's move to remove controls on prices of domestically produced oil. Although Mr. Carter is shooting for a "special" tax to cream off windfall gains, there is some confidence in parts of Wall Street that the Congress will either change his proposals to the advantage of the oil companies or have no truck with the windfall tax idea at all.

While Wall Street was worried, perhaps even shaken by the calamity at Three Mile Island, the actions of investors drew some quite predictable conclusions. General public utilities, which owns the plant, was pariah to many traders when the stock opened on Tuesday and has been the volume leader for three days in succession. Its price before suspension last Friday was 161 but by Thursday evening it had slipped to 141 at which it offered a yield of 12.5 per cent. The cloud of uncertainty over the future of nuclear power also enveloped the plant manufacturers, Westinghouse and Combustion Engineering.

Uranium producers like Kerr-McGee have also been sold off. But, so the market reasoned, bad news for nuclear power may be good news for coal producers, and companies such as Eastern Gas and Fuel and Pittston have shown up rather well.

Elsewhere, blue chips have been providing some leadership with Du Pont and IBM—both of whom are due to split their stocks shortly—out in the front row of the glimmers.

During the week, the trucking strike started the progressive shutdown of the auto industry and will do much broader damage if it lasts another ten days or so. The producer price index rose 1 per cent in March, bringing the annual rate of producer price of inflation in the first quarter to 14.1 per cent, the highest since the 15.5 per cent of the last quarter of 1974. But some short term interest rates again softened which raises some risk that the federal reserve may withdraw the licence for the Wall Street show and seek to slow inflation by tighter credit.

## CLOSING PRICES

Day	Close	Change
Monday	855.25	-6.59
Tuesday	858.33	+13.08
Wednesday	869.80	+1.47
Thursday	877.50	+7.80

## Just what is there left for the successful businessman?

For the man or woman who works hard at making a success of business there should be appropriate rewards.

Unfortunately it's becoming more and more difficult to find them, let alone pay for them. Personal tax not only stifles initiative, it makes it almost impossible to earn enough to afford a lifestyle to which you would like to become accustomed—or perhaps once were.

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## Taking the high ways to the top of India

WHEN YOU have been on horseback as infrequently as I have, any riding excursion qualifies as something of an adventure. Even more so when it occurs along a very steep and very rocky track at well over 10,000 feet, with a very narrow fringe. The place was Gulmarg, and, after an initial attack of jitters, I left my fate to the sturdy Kashmiri pony and Hassan, his wiry owner, scrambling for life in our wake. When the sun and the sky descended became awesome it seemed better to concentrate on the huge quiet of the forests, gradually thinking to have open slopes and a magnificently expanding view which would have incited K2 if there had not been a haze.

It is the enormity of nature that stuns the senses in Kashmir; that, and the contrasting clutter of humanity and livestock that turns every community into yet another multi-coloured spectacular of sight, sound and smells. Gulmarg is a summer and winter resort some 50 kilometres from the Kashmir capital of Srinagar, and its traffic restrictions make it quieter than most.

Other than those, the main attraction for foreign and domestic visitors, Gulmarg features as a day trip destination from Srinagar, but it has a good range of accommodation from low-priced Government-run tourist bungalows to the pleasant mountain-style Highlands Park Hotel. The same applies to the larger resort of Pahalgam, about 100 km from Srinagar in the Lidder Valley, where the riverside Pahalgam Hotel has several swimming pools and a variety of excursions, from a few hours to several days into landscapes of unutterable splendour. Many of them are by pony, that essential ingredient of the Kashmiri

The road to Pahalgaon takes you past several archaeological and holy sites and between wide expanses of saffron fields. On my October visit, it was harvest time and purple mists over autumn crocus striped the earthy fields. Rice is Kashmir's main lowland crop, but in autumn the paddy fields lie brown and dormant. This is prodigious apple-growing country too, along with walnuts, cricket-bat producing willows and silkworm-feeding mulberry.

But most visits to Kashmir focus on Srinagar, where the airport is and where any excursion can begin. It is a splendid place that continues to enchant its visitors as it captivated the Moghul lords who built their beautiful terraced gardens here over 300 years ago.

Some of the gardens are tiered above Dal Lake, whose own waters carry their natural floating gardens of lotus and other lush profusion: these are linked by a labyrinth of channels to other lakes and the River Jhelum winding through the old city.

Dal Lake is a world of its own, with its floating (literally) population of humanity in their slender be-cushioned shikaras who will sell you anything from fruit, flowers and every imaginable souvenir to a sightseeing ride or a shuttle service across to the fleets of houseboats, Srinagar's most popular form of accommodation. These are, of course, expensive to the point of being prohibitive to the frugal palatist, with prices to match, and it is best to leave the choice to a reliable tour operator. But you can anticipate pre-dinner drinks to the accompaniment of kingfishers diving for their supper.

against Technicolor sunset effects as just one of the memorable impressions.

April to October is the main Kashmir season, the spring and autumn being particularly attractive if you go equipped for the sharp drop in evening and morning temperatures. They are also good times if, sensibly, you want to combine Kashmir with some of the main centres of north India.

The multiple city of Delhi, for example, provides a total contrast with the soaring Himalayan landscapes and, within itself, embodies more contrasting aspects of the many faces of India. There are the bustling bazaars of Chandni Chowk and the holy hurly-burly round India's largest mosque Jama Masjid in Old Delhi; the

deep rosy pile of the Red Fort, the Whitehall atmosphere of parts of New Delhi; the palaces, the mausoleums of successive rulers over many centuries. Agra is within day-trip reach, though deserves longer for there is a great deal more than even the Taj Mahal to set. The magnificent 16th century ghost city-palace of Fatepur Sikri (the water supply ran out) can be visited on the way. The Moghul cities and Hindu forts and temples of Rajasthan, Jaipur, Ajmer, Udaipur, Chittorgarh, provide another circuit of famous sights distilling much of India's history.

And when mental indigestion sets in, there are places like Bharatpur. Through the watery world of this nature reserve you can drift by boat, weaving

through the acacia trees which become a bristling congestion of nesting colonies of painted storks, open-billed storks, snake-birds, white ibis, cormorants, egrets, spoonbills, herons. From mid-September to November is climatically the best time for the end of the nesting season or the first influx of winter visitors. Avoid springs and early summer, when the place is virtually deserted.

Further information: Government of India Tourist Office, 21 New Bond Street, London W1; our operators featuring Kashmir and north India including: Alta Speedbird Holidays, 200 Buckingham Palace Road, London SW1 STJ; Balis Tours, 16 Coventry Street, Leicester, London W1V 8BL; Cox and Kings, 46 Marshall Street, London W1V 2PA; Fairways and Swinford, 37 Abbey Road, St. Johns Wood, London NW8 0BY; W. F. and R. K. Swan 237/238 Tottenham Court Road, London W1P 0AL.



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## FASHION

## Pick a perfect partner

SOME people find shopping for clothes fun. Good luck to them. Most of us, however, tend to want something absolutely ravishing to wear and hope to run into it just by chance when we somehow find five minutes to spare.

For those who don't like doing their own foot-slogging, who dislike the endless search for just the right shirt to match the trousers, or just the jacket that will pull the whole outfit together, more and more designers and manufacturers are doing the work for them—in other words, that old maxim of mix and match has been carried through to its logical conclusion. If you can find a designer of this sort whose taste and style is yours then you may well be able to select your entire wardrobe from his ranges. This way you will always look suitable and well-dressed though you will not of course reach the heights of true style and individuality that is achieved by the person who does

her own thing with great skill and panache.

Labels to look out for if you like the planning done for you are Jaeger (expensive but with such a wide choice that it's possible to devise your own look from each season's output), Country Casuals, and Alexon (a restrained but wearable collection).

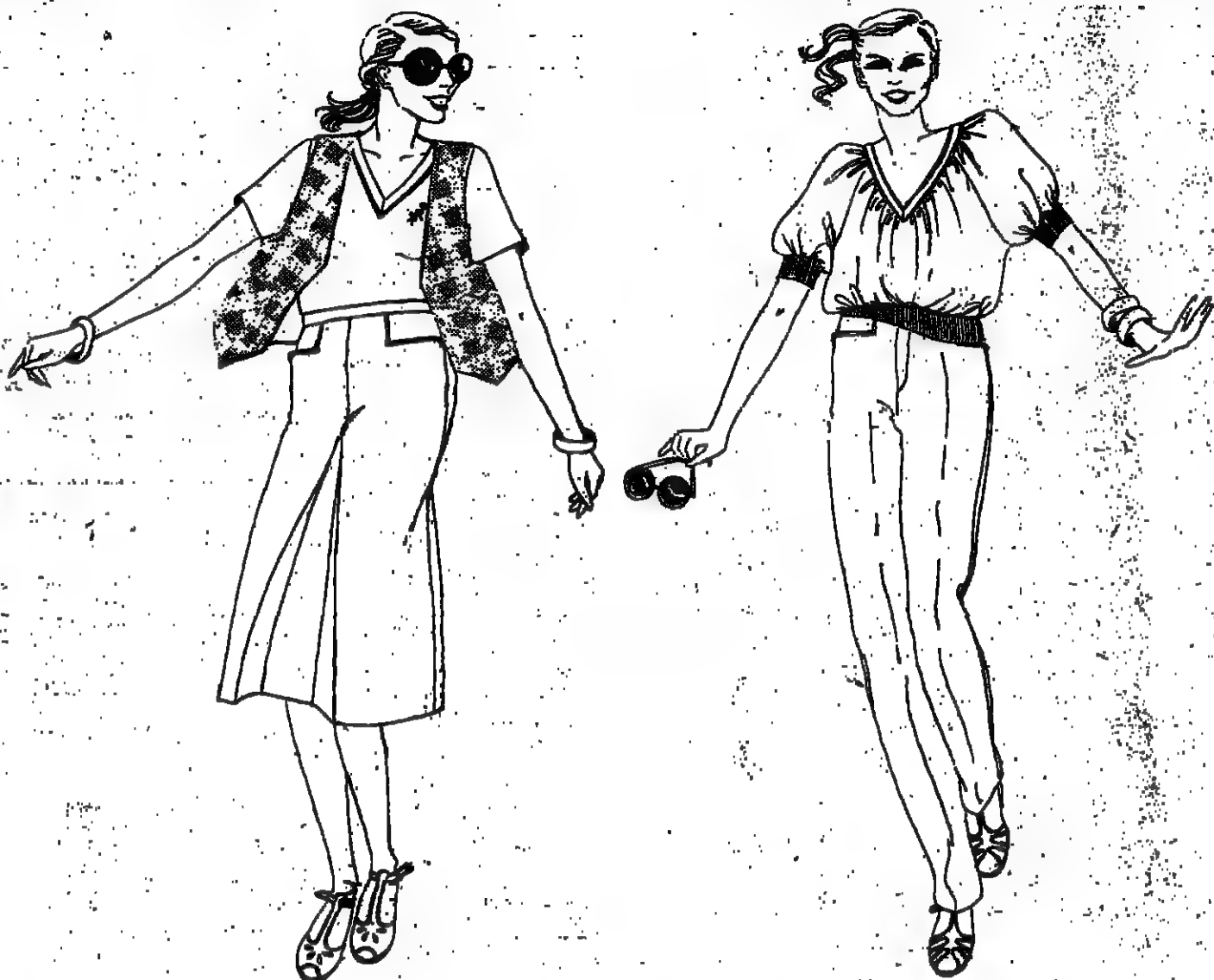
A very small but extremely up-to-the-minute collection of mix-and-match separates in a small range of colours is to be found under the Plumie label. Blue, red, cream, purple and yellow are the colours, and they are used to produce three different skirts (pleated, reversible and wrap-around), drawstring-topped trousers, scalloped-edged jackets, short spencer-type jackets, a nice plain drawing dress. The prices are very reasonable and the look is easy to wear yet very fashionable. Trousers are £17, dresses £23, skirts from £17 and jackets about £24. Look for Plumie at Harrods,

Harvey Nichols, Joseph and Bombacha in London, as well as Emma Somerset in Manchester, Scotts of Cheltenham, Rosie Vyse of Leicester and Stravaganza in Harrogate.

To illustrate the theme I have chosen a selection of clothes from just one manufacturer, Reldan. As you can see, you can select a look that is soft and pretty (the floral-printed skirt and shirt), or one that is very smart (straight skirt and tailored jacket) or very sporty (skirt and T-shirt or trousers and T-shirt). All the items can be interchanged with each other giving an infinite number of permutations.

This is just one small group from Reldan's summer range—there are plenty of other colourways, prints and patterns all built round the same basic premise, that of making the building-up of a wardrobe easier and more fun for you, the customer.

LUCIA VAN DER POST



Drawings by Gail Baker



Reldan clothes are widely available all over the country and the major stores which have special Reldan sections displaying the versatility of the clothes are to be found at Harvey Nichols, Dickins and Jones, John Barker, all of London, as well as Kendalls of Manchester, Rackhams of Birmingham, Army and Navy Stores in Victoria, Bromley, Guildford, Canterbury and Chichester, Fraser's of Glasgow and Edinburgh, James Howells of Cardiff.



This is the dress that goes with the jacket that can be worn with the skirt that matches the T-shirt that looks good with the trousers that together make up a whole summer wardrobe.

The dress, above, is the starting point for the new Reldan summer wardrobe. It is in fact a blouse and skirt (£14 and £18) but they combine to look like a dress and, of course, the blouse teams with the plain blue skirt shown right or the trousers (centre). The print comes in basic colours of turquoise, sapphire blue, copper and raspberry.

The wardrobe I selected is based on blue but Reldan's other main colours this summer are ruby and camel.

Right is a straight skirt, very

much 1870's hallmark, made of 50 per cent cotton, 50 per cent polyester. In sizes 10 to 16 it is £17.50. Worn with it is a T-shirt with a V-neck and short sleeves (which is also shown with the check skirt, far right). It is £4.50. The check waistcoat tones with the blue skirt and T-shirt, and matches identically the skirt, drawn far right. It is £20.

Centre is a pair of cotton/polyester trousers in cornflower blue, ruby or camel (£17.50) worn with a nicely shaped T-shirt (£5.50) which is made from 100 per cent cotton and comes in cornflower, ruby, copper, ivory or aqua.

Far right is a 50 per cent cotton/50 per cent polyester jacket which is £24 and checked skirt (£18) with the frilled waist.

# HUDSON'S BAY COMPANY

## Notice to United Kingdom Shareholders Improved Offer by George Weston Limited

The offer by Hambros Bank Limited, N. M. Rothschild & Sons Limited and Burns Fry Limited on behalf of George Weston Limited has been improved and documents containing the amended terms have been posted to Hudson's Bay shareholders with registered addresses in the United Kingdom.

The amended offer is at \$40 Canadian for each Hudson's Bay ordinary share for 60% (previously 51%) of the outstanding ordinary shares.

The minimum limitation under the preferred shares alternative has now been reduced to 22½% (previously 25%). Moreover, arrangements will be made to facilitate dealings in the preferred shares in the United Kingdom.

Weston will now be obliged to purchase your shares, on the terms set out in the revised offer document, if it receives acceptances for 45% (previously 51%) of the outstanding ordinary shares.

The Weston offer remains open until Thursday 26th April, 1979.

Shareholders who have already accepted the Woodbridge/Thomson offer have the right to withdraw their acceptances up to and including Monday 9th April, 1979.

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## BOOKS

## Waiting for Stanley for ever

BY C. P. SNOW

In Limbo: The Story of Stanley's Rear Column by Tony Gould. Hamish Hamilton, £8.95. 264 pages.

Not long ago, Simon Gray wrote a moving and foolishly unappreciated play called *The Rear Column*. It was based on one of the most distressing experiences in the history of nineteenth-century exploration. Mr. Tony Gould, who has dedicated his book to Simon Gray, has now written this lucid connected account of the same episode. In a good many ways it explains more than the play, which was restricted by its own medium. The prose narrative doesn't pluck the nerves so painfully where the play has the compensatory advantage of the live medium. But Tony Gould's is a masterfully composed book, neat and strong.

It is possible that Gould is a shade too anxious to give all his characters, except H. M. Stanley, the benefit of the doubt, which some at least may not have deserved. That was better, though, than too much indignation, and the book is more than usually satisfying.

The object of Stanley's 1887 expedition was to rescue Emin Pasha, who had retreated with his small forces into central Africa in order to escape the Mahdists. To add an element of farce, Emin Pasha did not wish to be rescued. He was comfortable as it was — and when Stanley, with his customary competence and ruthlessness,

finally reached him, it did Emin much more harm than good. Not that Stanley would have thought that relevant. He was out to do a job and did it. He had collected an expedition, mainly from army officers, all of course volunteers, plus a few oddments, including two amateurs who paid £1,000 each for the privilege. One of these amateurs was J. S. Jameson, who played a part in *The Rear Column*. The senior of Stanley's soldiers was a major of twenty-nine (not confirmed in rank) by name of Bartleot, who automatically became Stanley's second in command. There was hostility between them from the start. A general who had served with Bartleot warned Stanley against him. Stanley's solution was to leave Bartleot behind on the Congo in charge of the rear column.

The rear column consisted of five Englishmen and 250 porters, Africans recruited by Arab slave traders in Zanzibar. Their orders — which Bartleot was determined to obey to the letter — the more so because of his distrust of Stanley — was to establish a safe camp by the river, guard the main supplies of the expedition, wait for more porters to be supplied by the chief Arab slave trader and then for Stanley to return. This he expected to do in four months' time. Then the rear column would join the advance one, and they could move together for the glorious rescue of Emin.

It didn't happen like that. As the months passed, the rear

column had to wait. There was nothing for them to do. It was stupefyingly hot. Nineteenth-century expeditions couldn't cope with tropical diseases, and the porters began to die. There was little to eat. Bartleot wouldn't permit any break into Stanley's stores.

Bartleot was about the last man to be in charge of such a camp. He was well to do, son of a baronet who was a Tory MP. He would probably have been an effective officer in a real war. But he had an outrageous temper. As Stanley had been warned, on the Gordon relief expedition, Bartleot had already killed a servant who threatened him. As an added disadvantage in African travels, he loathed Africans. He may have had an abnormally strong streak of cruelty.

Those aspects of his temperament Jameson, who became his number two, should have been able to soften or help control. Everyone in the party loved Jameson. He was sweet, amiable, unassertive, good natured, interested in natural observation. He was in his early thirties, the only one of the Englishmen to be married. The marriage was only two years old, but he had left wife and infant behind. He had an inordinate passion for travel. He was rich. He had far more gifts, and ought to have been a steady influence. He wasn't. He seems to have succumbed to a harder, more intense, paranoid personality. Jameson went along amiably

with his naturalist's observations, but he was Bartleot's dutiful assistant in turning the camp into something like a military prison. Floggings, as severe as in the early nineteenth century army, became a regular morning exercise. One African was given 300 lashes and died two days afterwards.

Two of the other Englishmen were gentlemen in the Victorian sense (one though not a soldier was the son of a general). Both were quite young, and had been doing odd jobs in the Congo. Both were decent men, worried at what was going on, but unable to organise any sort of combined resistance. They accepted that Bartleot was obeying orders and one of them, Herbert Ward, the cleverest and nicest of the whole party, said so when years later the scandal broke.

There was also Bonny, a sergeant in the hospital department who wanted to be taken as a gentleman himself, and felt rancour for everyone else around. He had a gift for venomous gossip, and became a prime source of secret information for Bartleot and later for Stanley. The others, who had their share of Victorian insensitivities, called him Tommy Atkins, which was not calculated to placate him; but he would have been as difficult to placate as Lago.

It wasn't a restful mess. Suspicions, hatreds, fevers. Bartleot was shot by an infuriated African. Jameson died after a useless attempt to get

help, having, when Bartleot died, been supplanted by Bonny, who signed himself with a proud flourish Bonny (Commanding). Herbert Ward, physically tough and a good linguist, was sent hundreds of miles to cable for instructions from the London committee. The other young man, Troup, was put on a boat going down the Congo, and thought to be on the point of death (in fact, he recovered). Half the Africans died.

No one could regard it as a triumph of organisation or English adaptability. When, after 14 months, Stanley did return, he suppressed news of the fatalities. In the Congo, the Belgians knew all about the horrors, perhaps inflated them. The gentle, inquisitive Jameson had gone out of his way to witness — and perhaps encourage — a cannibal feast. There were passionate denials from the English, but his own statements are clear. They are also clear about another unfortunate occurrence, when he took part in a passing canoe. In Stanley's account of the expedition he didn't reveal much about atrocities, but he blamed the loss of so many lives on Bartleot and the other officers.

There was, as he might have expected, an almighty commotion. Families like the Bartleots and the Jamesons were not going to see heroic relatives traduced. Letters filled columns in *The Times*. On the whole, Stanley won the argument, but he might have been wiser to



Major Bartleot (Barry Foster) and boy (Riba Akubali) in Simon Gray's play 'The Rear Column'

show just a tiny indication that he might himself have been vestigially wrong.

This was pointed out in by far the best letter of the whole controversy, which came from young Herbert Ward. Yes, Bartleot had an uncontrollable temper, but he was a dutiful man and a good soldier. The question had to be asked, who

## Mungo's mana

BY RICHARD HALL

Mungo Park by Kenneth Lupton. Oxford, £7.50, 272 pages.

At a moment when Islamic zealotry is being regarded by so many in the West as some new phenomenon, it is salutary to read of Mungo Park. A dull but hardy Scot, he was twice despatched to the African interior to explore the course of the Niger River — the "Black Nile". He was also charged by his wealthy patrons in London to report on the prospects for starting commerce and spreading Christianity.

That was almost two centuries ago. Park found himself confronted by a Muslim fanaticism which had spread across the Sahara desert and was advancing through jihad and indoctrination into the fertile lands beyond. It still is. To be identified as a Christian was to risk being enslaved or having your throat cut. Yet Park was devout enough to hand out copies of the Bible in Arabic, along with the tribute demanded by African rulers in his path, but it was story enough.

The latest biography of Park, dutifully records everything known about him. Indeed, Kenneth Lupton and his subject are well matched, both being remarkably prosaic. This does have the virtue, however, of offering a detailed picture of that hidden, alluring world — epitomised in the legends of Timbuktu — which drew so many European travellers to their deaths.

It is strange that out of this deluded band (Timbuktu was a let-down and the tales of Moorish gold overdone) we should keep seeing Park pushed forward. Perhaps it is the oddity of his name. Certainly his second, government-backed expedition was an unmitigated fiasco; he and all the 44 Europeans with him died, and although he sailed 1,500 miles down the Niger the journey contributed nothing to geographical knowledge. His beligerence probably provoked the murder by Tuaregs of a fellow-Scot, Major Alexander Laing, who came after him.

The author is attached to a Nigerian university, which has impelled him to interpolate in his story many modern references and intrusive remarks about "racism". But he has diligently assembled the facts of pre-colonial life in West Africa. This book reveals a great deal, for example, on that much neglected subject: how Muslim traders supplied the Christians waiting in their ships on the coast with cargoes of black slaves for the Caribbean.

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## Fiction

## Doing nothing

BY ISABEL QUIGLY

I Have A Complaint To Make by Guy Bellamy. Secker and Warburg, £4.50. 182 pages.

Byzantine Honeymoon by Philip Glazebrook. Gollancz, £5.95. 204 pages.

The Price of Coal by Barry Hines. Michael Joseph, £4.95. 171 pages.

Any novelist's second novel is approached with caution, handled gingerly, and expected to disappoint; particularly when the first has been high-spirited and full of surprises, the sort you expect to exhaust the author's inventiveness for a while. Guy Bellamy's first novel was just this sort. Now comes the second: *I Have A Complaint To Make*. The title is his hero Fred's comment upon life, and his complaint about its general unsatisfactoriness and the fact of being made to live it without being consulted. It is (to my taste) quite as funny as the first. If I say it is also serious, inventive, sometimes touching

and altogether likeable, that won't convert those who, for reasons of taste or temperament, will find it trivial, facetious, grubby, and frankly busy in its search for jokes.

One of the good things about it is that it gives the lie to the idea that a novelist must have had — or at least ought to use — what is vaguely known as "experience". Its hero has no experience of anything except small-town idleness and girls. Indeed, his predicament is his inability to put more than a toe into the world of "experience", to get out of his snug though unsatisfying groove and face the competition and business outside it.

This inability he thinks is a determination to avoid conventional living, the traps of mortgage and commuting. Work is for mugs who are willing to be bored, he believes; keeping aloof without job or private income, dishonest methods or the welfare state, takes a lot more energy and good sense. But finding a wife whilst you do so is just that much harder

than usual, and the luscious Camilla is as determined to avoid the traps of kitchen and nursery as he is to stay clear of rush hour and rolled umbrellas.

Poor Fred: he learns that freedom may mean shaking off inertia as much as avoiding stereotypes; small leisure in the context of a small community brought by pub and party. Again, the size of the frame is no test of the quality of the work inside it. Guy Bellamy makes another broadly applicable comedy out of the least exotic materials.

Not so Philip Glazebrook, whose *Byzantine Honeymoon* is a scintillating small jewel in the context of a small community brought by pub and party. Again, the size of the frame is no test of the quality of the work inside it. Guy Bellamy makes another broadly applicable comedy out of the least exotic materials.

The narrator, a deplorable fellow, called, with vaguely Jewish intention, I presume, Archie Capers, is the stuffy, self-opinionated, snobbish son of a clergyman who has lost his land and therefore in the long run his status to a rich Jewish trader from the Middle East whose daughter, to redress this much-resented wrong, he marries; the delightful Rachel for whom, across the first 200 pages, he does nothing. She is it who turns out to be the novelist (a subterranean pattern on the swirlings of the ostensible plot), he the dupe of fiction, Turkey, his own slave-girl, his plans to marry money and much else. In other words, Archie gets his comeuppance and an undeserved degree of happy finality, art is intertwined with life, the sharpest observation of the artist's fantasy, and one has a sense of patterns so thickly drawn, so recurrent and so complex that, while Rachel can smile at them, duped Archie can only, within their context and as a part of them, set them unwittingly down.

After these two, the one so



Guy Bellamy: avoiding the traps

domestic, the other so exotic, after all their technical qualities, their virtuosity in the use of words and their highly individual wit and deftness, the deadpan realism of *The Price of Coal*, a plodding copybook of everyday doings, seems remarkably dull. Perhaps realism as straight as this doesn't work in a world where the meaning of plain fact is increasingly questioned; or a novel based on a pair of television scripts is merely, and will remain what- ever is done with it, an artistic hybrid.

Two stories from television plays by Barry Hines have been made into single novel. One has Prince Charles visiting a coal mine ridiculously spruced up for the occasion; the second, as if to point some moral, has the same mine a short time afterwards collapsing on several miners in an explosion. One may criticise the silly prettification for the royal visit and sympathise with anyone blasted to death and injured underground without finding this anything but a bilious and boringly correct little tract for the times. Kev, an overrated work by the same writer now infused on its own merits with vitality; this has little but an air of fashionably liverish spleen.

## Boult from blue

BY ELIZABETH FORBES

Music and Friends: Letters to Adrian Boult, edited by Jerrold Northrop Moore. Hamish Hamilton, £9.95. 207 pages.

On Sunday Sir Adrian Boult, doyen of British conductors, celebrates his 90th birthday. These letters, covering a period of nearly 70 years, are mostly tributes from composers whose works he played or executed musicians whom he conducted. Arranged in chronological order, they are linked by the editor, Jerrold Northrop Moore, with quotations from Sir Adrian's autobiography, *My Own Trumpet*, and with just enough background information to provide continuity.

Gustav Holst, whose suite *The Planets* Boult introduced while the composer is in Salomona with the YMCA Army Education unit, quotes a compliment that the receives on the performance: "I must tell you how beautifully Mr. Boult conducted. One hardly noticed him at all but from the way things went one realised how masterly he was." This praise of Boult's unobtrusiveness coupled with his supreme professional competence is echoed again and again. Whether he conducts works by Vaughan Williams, Elgar or Debussy, by Stanford, Parry, Bax or Bliss, the composer invariably thanks him in

glowing terms. Boult's skill as an opera conductor also wins approbation: Bantock enthusiasts over a performance of *Die Walküre* in Birmingham. Bernard Shaw sends a congratulatory postcard after a broadcast of the same opera from Covent Garden; even Ethel Smyth apologises for a scene created during rehearsals for *The Wreckers*. "I have a Gottsche-percha countenance," she explains, "and that makes me look as if I were fearfully excited or fearfully angry or something when, in my face, were less dramatic, anyone would see it amounts to next to nothing really."

Alban Berg, after a concert performance of *Wozzeck* broadcast from Queen's Hall — the British premiere of the opera — expresses his gratitude for the immense amount of labour and love that must have gone into that single performance. But a letter from Portugal, perhaps best reveal, in graphic if ungrammatical style, the universal admiration and affection in which Adrian Boult is held: "What lovely music sometimes I can listen, chiefly when you are the conductor. . . . So I wonder your art that I beg in order to see you nearly one photograph of you. . . . And this will give me, more pleasure, than all fotos of Hollywood. . . ."

## Era of the upswing

BY CHRISTOPHER JOHNSON

Getting From Here to There: A Policy for the Post-Keynesian Age, by W. W. Rostow. Macmillan, £7.95. 271 pages.

Barely six months after his magnum opus *The World Economy* (FT Books Page September 21, 1978), Professor Rostow has kept his promise to bring out a book elaborating on its short postscript about future prospects. This may be seen as a readable popularisation of a number of loosely related themes in current economic policy. It can stand independently from the larger work, and indeed there must be some doubt whether the attempt made in *The World Economy* to impose patterns on world economic history is of any help in reading the future.

Rostow's contention that we find ourselves in the "Fifth Kondratieff upswing," for example, is more likely to confuse than to enlighten. It suggests that we are in for a long period of raw material scarcity and rising prices. But Rostow rightly demolishes the more extreme form of this argument advanced by the "Club of Rome" in *Limits to Growth*. He

has in his time been a practitioner of policy-making as well as an academic. He poses a number of big questions, of which many are to do with the supply side of economic growth. Experience has made him too pragmatic to give definite answers, which may frustrate those who hope to find them in this book.

One of Rostow's more categorical statements, that "neo-Keynesian economics" is bankrupt, becomes belied by some of his subsequent analysis. By emphasising the contribution that increased investment in primary products can make to effective demand and continuing economic progress, he shows an old-fashioned faith in Keynes's investment multiplier. Where, he does differ from Keynes, for example, by advocating fixed money wages and price cuts through rising productivity, he is, as he disarmingly confesses, "rational and somewhat eccentric."

Some of Rostow's material, such as that on regional change, is limited in scope to the U.S., and it would have been interesting to have his views on changing prospects as between regions of the world. But his big questions are of international dimen-

sions. Population and Food: Will Malthus at Last be Proved Right? Energy: A Test of the Democratic Process. Raw Materials: Cheap or Dear? The Environment: Cost, Benefit, Trade-off. Productivity: Decline or Transition? Science, Invention and Innovation: Is Human Creativity on the Wane? So the chapter headings march on, like newspaper headlines. Can Democracy Survive? perhaps deserved more than a five-page epilogue.

It would be unfair to blame Rostow for not coming up with any new answers to these familiar questions. He puts the case for higher capital spending as some kind of remedy for shortages of food, energy, and raw materials, for excessive pollution, and for deficient productivity, in the mood of a Monnet-style indicative planner. He is on balance an optimist about the world's economic prospects. But why does he think that everything will come right if only we can get through the next 25 years in good order? It could as easily be argued that the past 25 years were the most important in world economic history, and that what we need now is to avoid the temptation to take great leaps forward in the wrong direction.

## Scottish office

BY RAY PERMAN

The Secretaries of State for Scotland 1926-76 by George Pottinger. Scottish Academic Press, £4.95 214 pages.

The chance to reform the office of Secretary of State for Scotland — probably the nearest Britain has left to some of the old colonial governorships — has just been missed. Part of the spin-off of devolution, had it been accepted, would have been the demolition of one of the most powerful jobs in the Government.

It is not just that the Scottish Secretary presides over a department with 11,000 civil servants (more than the European Commission has in Brussels). Nor that he has a budget that ranks fifth in the league of UK spending ministries. What makes the office unique is its breadth: the writ of the Cabinet members for industry, health, education, environment, home affairs and agriculture and fisheries does not run north of the border. All those responsibilities are exercised by one person.

Politically it's a job that leads nowhere. Seventeen men have filled it since it was created in 1926 and none of them has gone on to hit the political heights afterwards. But administratively it is a different matter. With vast executive power and only cursory supervision from Westminster, a few men have used their periods of tenure to make significant changes in Scottish life. The rest let their civil servants do it for them.

This book is inadequate in several ways. It is not scholarly enough to be a history, not revealing enough to be a memoir. Mr. Pottinger, who was for 30 years a Scottish civil servant, calls it a commentary. Yet it does throw some light on the men who have been Secretary of State, if only to let us know why most of them have sunk (deservedly) without trace.

Sir John Gilmour, for example, appointed in the year of the General Strike, combined his Cabinet post with the captaincy of the Royal and Ancient Golf Club of St. Andrews. The Sixth Earl of Rosebery commented when he demitted office: "Didn't make a bad job of that. Didn't have time." But

he refused to give evidence to the Royal Commission on Scottish Affairs because he did not know what to say. James Stuart, who wrote on his office door "we will not overwork," offered to eat his wedding first on that Khushchev and Gulgagan, who were banqueting with him at Edinburgh Castle, would know it was not poisoned.

But there have been those who used the licence given them by governments only faintly interested in Scottish affairs. The most outstanding was Tom Johnston, Scottish Secretary in the wartime coalition, who combined executive boldness with an attempt at cross-party consensus to change the stance of Scottish administration from being passive to being active. He began to tackle problems of industrial decline by attracting industry north and by setting up the Scottish Council (Development and Industry) as an effective employer-union pressure group. And in his creation of the North of Scotland Hydro Board he was looking beyond power generation to the redevelopment of the Highlands.

Hector McNeill, who followed a few years later, showed a little of the same flair when he secured a large IBM investment for Scotland by promising — and delivering — the site wanted

by the company's president, although at the time the Scottish Office did not even know who owned it.

Mr. Pottinger is dismissive about the real influence of Mr. Willie Ross, Scottish Secretary in the Wilson Cabinet and one of the loudest shouters, and he allows that faint praise Gordon Campbell, Ross's Conservative successor. About the present incumbent Mr. Pottinger is necessarily silent, having been in prison for his part in the Poulson scandal for much of Mr. Bruce Millan's period of office.

It is unusual for a civil servant to write about politicians so soon after leaving the civil service, so this book is interesting if only for that. It's preposterous style and reliance on anecdote rather than more measured assessment prevent it from being more valuable. Mr. Pottinger, if he was being thorough, should also have alerted the reader to the influence of permanent officials in Scottish government. And for a man so closely associated with the establishment of the ill-conceived, grandiose Aviemore Centre, he might have chosen his opening quotation from W. H. Auden with more care: "Thou shalt not worship projects nor shalt thou or thine bow down before Administration."

## Space merchants

BY RAY LARSEN

The Ultimate Threshold translated by Mirra Ginsburg. Penguin, 75p. 244 pages.

A steady stream of science fiction continues to come out of the Soviet Union. Business is so brisk there that new editions of 150,000 copies are reputed to sell out within days. This comprehensive selection of short stories offers first-rate value for money.

Mirkeba by Paul Anderson. Robert Hale, £4.25. 218 pages.

Interstellar trade wars as rival powers do battle over a giant planet made up of precious metals. Once again we

meet one of Anderson's stock characters, Nicholas van Rijn, entrepreneur and space merchant extraordinary. Quite good fun but some might find the style and content a little passé.

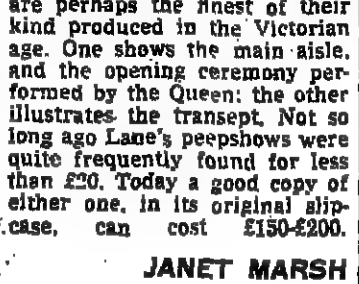
Planet of Exile by Ursula Le Guin. Gollancz, £3.50. 140 pages.

This is one of Ms. Le Guin's earlier works originally issued in the United States in 1966. It tells of the struggles of two competing human species on a distant planet who combine forces to meet a barbarian invasion. Plenty of action interspersed with dollops of philosophy and sociology.

مكتبة النخيل



هكذا من الجهل



WHITE (6 moves)

Mate in two moves (by H. Rosset, first prize Die Schwalbe 1978). Note that the stipulation is different from the normal "White mates in two moves."

Solutions, Page 19

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## ARTS 1

## Dybbuk and Dracula

Shloyme Zaynol Rappaport was an active figure in the Jewish Historical and Ethnographic Society of St. Petersburg until his death in 1920. He led a field expedition to study Jewish communities in the Ukrainian provinces of Volyn and Podolia. Hassidic teaching, started among pious Jews in the eighteenth century, was still much in vogue. Rappaport heard many folk tales, in particular, one of a young woman belonging to a self-contained Hassidic community, who, on the eve of her wedding to the son of a rich merchant became possessed by the clinging and importunate spirit of her former lover, a poor scholar who had died of grief at his rejection for her hand.

Under the pen-name of S. Ansky, Rappaport turned the tale into a play entitled *The Dybbuk*—one who cleaves—which became one of the great classics of the Jewish drama.

## RADIO

ANTHONY CURTIS

It was performed first in Yiddish in 1920 shortly after Rappaport's death, and two years later in Hebrew by the Moscow Habima company. It was revived recently in English at the Royal Exchange, Manchester to some critical acclaim. No less an authority than Stanislavsky cast an eye over the text at an early stage and suggested the inclusion of a narrator.

One was grateful for this device when listening to Liane Aukin's admirable production of *The Dybbuk* in Hi-Fi Theatre this week (Radio 4 UK, March 25 and April 2 and 5). In spite of our not being able to see the rotund, bright, Leach (Angela Pleasence), grappling with the dead soul which inhabits her body, causing her to behave with shocking disobedience to the law, nor perceive the alarmed members of the community in their prayer-halls flapping around her, the message came emphatically through. Miss Pleasence managed, by means of an awesomely unnatural voice alone, to suggest how strongly she was under the involuntary influence of this persistent succubus. Before it is finally exorcised, to the accompaniment of some truly blood-curdling shrieks and heavy breathing into the microphone, on her part, a rabbinical court is convened to thrash out the rights and wrongs of the matter with depositions

from the dead as well as the living. This is an interesting scene historically, in addition to containing some wry humorous touches when the dead man refuses to accept the verdict that given certain conditions the marriage shall go ahead. It shows how a rabbi in this kind of situation might have to double the role of a magistrate with that of a priest. Cyril Shaps as the formidable Rabbi Azrael gave all he had got to both aspects of the part, judicial and spiritual, in a performance of sustained authority. Although the behaviour of the characters throughout the play is strangely irrational and unfamiliar, the mood of the whole production sounded most authentic, not least the music background by Stephen Deutsch.

I suppose the nearest gentle counterpart to the Dybbuk is that much more malevolent and less monogamous figure from the Carpathian Mountains, Count Dracula. *The Blood is the Life* (Radio 4 UK, March 25), by Sarah Dunant, gave us not merely a history of the theatrical incarnations of the grand seigneur from Bela Lugosi to Peter Cushing, but also a lively portrayal of his creator, Abraham or Bram Stoker. He was the son of a Dublin civil servant. Bram abandoned the civil service himself in his late twenties under the influence of Irving whose manager he became at the Lyceum Theatre in London. Christopher Frayling, who has immense erudition on this subject, told us how Stoker may have first heard about the Count at one of Irving's late-night suppers from a Rumanian explorer and the Manx novelist, Hall Caine, as a possible part for Irving. The film, *Dracula*, by Christopher Frayling, took over the story and expounded fascinatingly on how much the nature of the pre-war image of Dracula owed to the personality of Lugosi, the first Hollywood heavy, and then just when everyone thought its potential was exhausted, came its astonishing revival in the 1950s by Hammer Films with the suave, seductive presence of Christopher Lee.

Gogol, by Richard Crane (Radio 3, March 25), is a monologue originally performed at the Edinburgh Festival based on the notion of transplanting the author of *Dead Souls* to a crummy bed-sit in contemporary Britain. It provided Freddie Jones with a chance which he seized expertly to plumb the paranoiac depths of a pathetic little man.

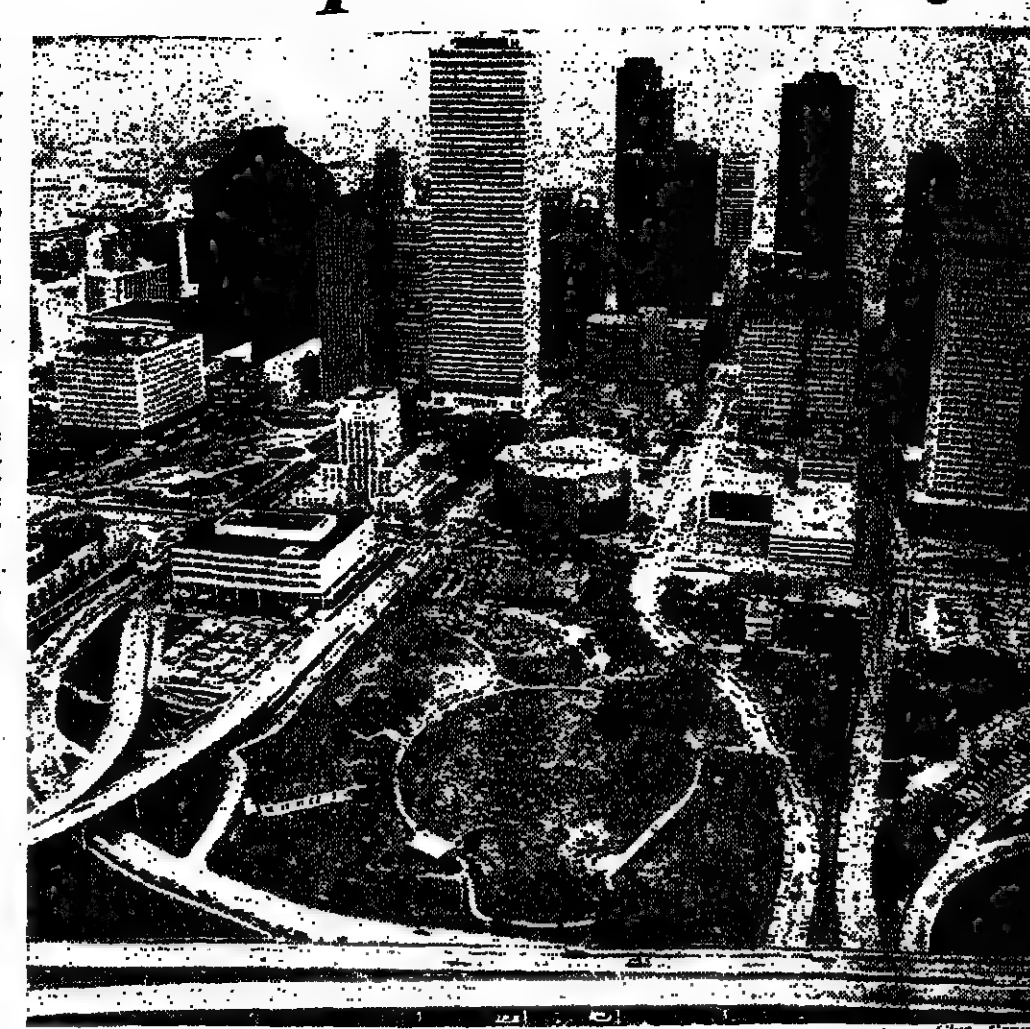
Houston, deep in the heart of Texas, but now comfortably accessible thanks to the wide-bodied jets of British Caledonian, still nurtures the frontier spirit—not least in the way that the city stretches its own frontiers ever outward, happy to be one of the fastest growing and prosperous communities in the U.S. But the faith of the frontier, that men can achieve anything if they set their mind to it, is also being concentrated on shoring up and saving the old heart of the city. Houston, like most other large American cities, has contemplated the death of its downtown area, still the centre of the business community but a depressing place after dark when the workers have idled back to their suburban homes. Now it hopes to save the downtown area, and has created an annual arts festival to speed the cure.

## HOUSTON

ANTONY THORNCROFT

The first festival, just completed, is built upon grass roots origins. In the last few years, for two weekends in spring, stages have been erected down town and singers, poets, dancers, bands, street artists, potters, the respectable and the fringes of Houston's creative life, have entertained. After dark the music has got wilder and the party more lively, and getting on for 200,000 people were suddenly aware one recent weekend that downtown was not just air conditioned offices. It has a character and a personality, and also the remnants of Houston's past.

One of the advantages of Houston as an arts centre is the appearance of the place: it is a museum piece of modern architecture. The old buildings—a frontiersman's shack; a 19th century house in the French style, etc.—are coyly preserved in a small park, but the freeway which roars above them mocks their scale and their quaintness. But the early skyscrapers and their modern suppliants, all mixed up with low-rise developments which have miraculously survived and could now be saved, constantly amaze the eye. With space to build outward, Houston has managed, unwittingly to preserve substantial slices of its turn-of-the-century appearance.



San Houston Parks scene of the outdoor festival backed by the downtown skyscrapers

The unusual flourishes—not least the palatial apartments, mainly in the Spanish style, which the early millionaires built for their own comfort on top of the stark office blocks good enough for their work force. In Houston a hundred feet of concrete suddenly blossoms into a Moorish villa.

This vivacity in the town extends to the arts. To coincide with the open-air events the local artistic organisations mounted average production standards, and as the festival picks up steam there will be even more integration between the various strands. At the moment the festival lacks a director—one is about to be appointed—but the need for a regular festival, and the obvious success of the prototypes, have now been proved to the ruling powers in Houston and by next year a more conventional organisational structure will emerge. However, the intention

is to keep the Houston arts festival local—to Texas, if not to the city itself. There may be visits from outside companies but Houston is not attempting to act as a passive host to the international arts set, as Edinburgh does. It wants to show off its own cultural life to the world.

The big event in March was the premiere of Jean-Pierre Ponnelle's production of *La Traviata*, with his designs. As usual with Ponnelle it was unusual, mounted in greys and whites and blacks with provocatively dramatic moments, like Violetta pre-viewing her dead body at the opening party, and whirling around on a roulette wheel during her quarrel with Alfredo. It made for a lively evening, made even more attractive by the good looks of the principals, Catherine Malfitano and Luis Lima. Miss Malfitano sounded fine, Mr. Lima rather small, but the production seemed to stun the

enthusiastic and sophisticated audience for the Houston Grand Opera; it was warm rather than ecstatic.

If festival week was typical—and to a great extent it was—Houston could exhaust the most avid seeker after cultural entertainment. At the Alley Theatre (like Jones Hall, the home of the Houston Opera, comfortably modern with just a touch of the dramatic in its winding staircase reminiscent of the Guggenheim in New York) there was a production of *Don Juan in Hell*, the dream sequence from *Man and Superman* which is invariably cut from the play for the very good reason that it lasts almost two hours.

The U.S. has a particular affection for the piece which was first successfully presented in London in 1905 by the quartet of Sir Cedric Hardwicke, Charles Laughton, Charles Boyer and Agnes

Moorehead. The cast at the Alley was not quite so powerful but the approach was the same, evening dress and lectures and a conversational, not to say didactic approach. It was very old fashioned, as are Shaw's views on life and death, after life and sex, but it was a good curiosity to catch.

There is nothing curious about the best little whorehouse in Texas, a Broadway musical hit brought back home and housed in the Tower, a converted cinema. In fact *Whorehouse* is so close to home that its Texan premiere had to negotiate a few legal hurdles. It tells of recent history, the closing of a local and popular brothel following some investigatory television journalism. The journalist can still be seen every night on Houston television, taping at some other outrage but he seems to have taken his theatrical impersonation in good part. Indeed all concerned—vote-chasing governor, two-faced local politician, easy-going sheriff—have indulged in allowed themselves to be traversed on stage to hilarious effect.

*Whorehouse* is set for London where it should be a success, but nothing can compete with its impact in front of a local audience. Before the action starts a country band warms everyone up, and with yipping Texans out to enjoy themselves the atmosphere was as lively as a western saloon with the cowboys in town. There was hissing from the journalists; cheers for the easy-going sheriff; whoops of delight as the girls showed almost all; a feeling of good natured pleasure and physical wellbeing, helped by sparkling music and a simple one dimensional plot. It won't be the same on Shaftesbury Avenue.

Across town a little night music is being performed at The Little Theatre in New York by a resident company in which the women rather outshine the men. Productions take place in the Shamrock Hilton in a cabaret room where drinks are served at tables while you watch the show. It is pleasant and undemanding and could be copied in London. Stephen Sondheim's wispish little musical (small in terms of weight for the setting) was just the right tonic for the setting.

Such were the dramatic arts at Houston. The visual arts were much enhanced by a visit of the Mark Rothko Retrospective at the Museum of Fine Arts. Rothko has a permanent link with Houston in the chapel he decorated in the grounds of the university. This exhibition lays bare the man, revealing the development from imitative sub-Picasso work of around 1930 to his obsession with the complete expression of art and humanity in heavy rectangular slabs of paint, which became steadily darker and more pessimistic. Anyone doubting Rothko's reputation as a major modern artist would have his reservations removed by this display.

The fine arts are particularly active in Houston, which is home to a large colony of artists. Against expectations, the major oil companies and big business generally spend little on supporting the arts: a few enthusiastic patrons, shoulder the burden. One idea spawned by the festival which sounds like a gimmick but which proved a tremendous success was Doors Local artist. Truly, Swann cajoled 80 artists to take their work to whatever their imagination dictated. Some just painted the convenient shape others made a political point, some destroyed the door and created an interpretive sculpture from it. What sounds like a school exercise led to an original exhibition displayed throughout the Alley Theatre.

The arts flourish in Houston perhaps because most things flourish in this expanding city. A community which has prospered on self-help is at last starting to organise its approach to the arts. One per cent of the seven per cent hotel tax is now destined for the arts, and this will raise around \$2m. a year. A Cultural Arts Council of Houston has been established, and John Blaine, director of the Seattle Arts Commission, has been selected to act as the Arts Council, allocating money and priming the arts with the help of committees democratically weighted with artists.

Houston is trying to establish some official aid for the arts without politicians, or personal jealousies disrupting the effort. The arts festival is the first tangible result of the organised interest. Because it has grown from the grass roots, because it is local in nature, it could quickly establish itself as an important event on the international arts calendar, attractive through its lack of pretension and its variety, and housed in one of the most exciting cities in the U.S.

## YORKSHIRE

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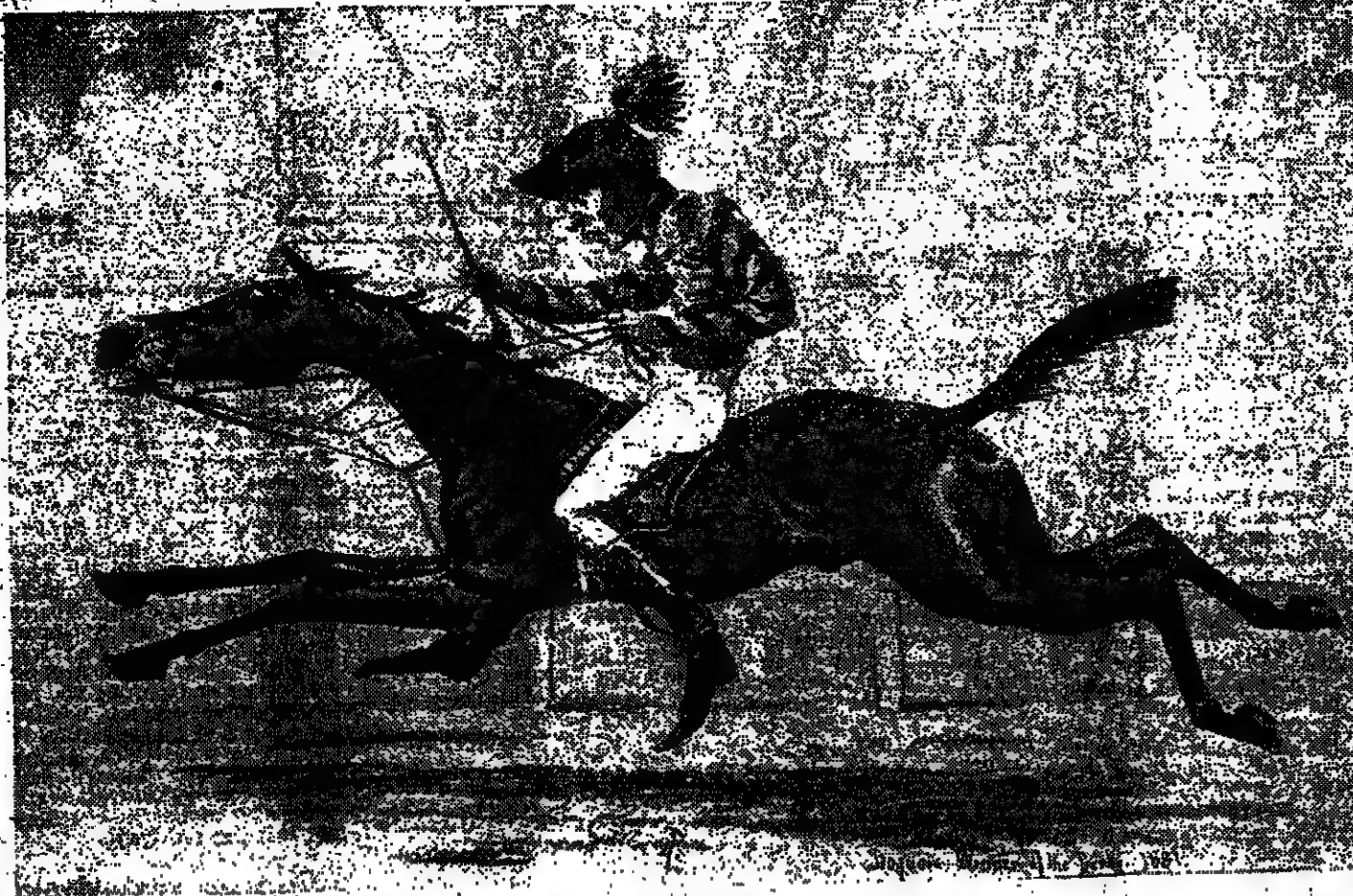


## ARTS 2

## The Academy on a winner

A Day at the Races, though by no means unique to us has always been a special treat for the English. For me just such an outing, as a very small boy, was the first experience that I can remember of any major sporting occasion. Much of that first Ascot meeting after the War is still very fresh in my mind: walking across the tarmac in the sunshine with my grandmother, the faint and swelling roar from time to time, the flash of bright colours in the distance as the jockeys raced past, just visible above the crowd, the jostling and shouting at the start, the royal coaches in procession, the earth shaking as the horses rushed past in a shower of turf, the point where I was held up on the rails.

The new season that will see the 200th running of the famous race, in the world, the Derby Stakes, is already upon us, the festival itself upon Epsom Downs, always the true Londoners' favourite, outing, only a few weeks away. It is an event, I am ashamed to say, that I have never attended in



Irishmen winning the Derby, 1861. Caricature signed AP.

## DERBY DAY 200

WILLIAM PACKER

person, though in spirit, and with the help of the nearest television set, I always do my best, and so deeply embedded is it in the fabric of our common experience, that I feel I know it very well. And now an exhibition to mark this very special anniversary has opened at the Royal Academy, where it will remain until July 1, that traces the rich and varied history of the event.

Crammed with the most intriguing things, it is indeed a delightful, often surprising and always fascinating show, demonstrating with great force the hold the Derby has locked upon the popular imagination ever since that first start on the old straight course, and over only a mile, two centuries ago. It includes some of the great art, most notably the great Stubbs of Epsom, a Newmarket, and many excellent sporting paintings by such artists as Marshall, Herdman, and Pollard. There are two small and extremely odd Degas, a fine Gercault, a Raoul Dufy, typical Munnings and Laura Knight, the Fifth of course and a good Hopper, of the founding Earl's wife, the stress Elizabeth Farren. But this is much more

than a simple show of pictures, a documentary exercise that embraces as far as possible all aspects of the event, historical, sociological and technical, as well as aesthetic. Low and high life alike are celebrated, the science of breeding, the expertise of the riders, the idea of the race itself as the great test of the thoroughbred, and, on the other hand, the dirty work at the Pig and Whistle, or rather at the Betting Post and the Starting Post, and the scandalous race of 1844. We are shown the scales, paddles, the jockeys' silks, flags and videotapes of famous races and events, including Miss Davidson's tragic gesture in 1973, and always the ephemera, the racecards, posters, cigarette cards, flipper puzzles, and all the cheap and delightfully dreadful souvenirs, mugs, trays, scarves and dolls. It is a dense and handsome show altogether, and a handsome show altogether, and a handsome show altogether.

Ratnagiri in all the art is desperately needed, now more than ever, and it is therefore

an especial pleasure to say that this is a sponsored exhibition and, to go further, to list the imaginative, generous and sensible organisations responsible: The Royal Academy itself made the rooms available, whilst Cautis and Co., Meot and Chandon, Sotheby's and, you will be pleased to know, The Financial Times, supplied the where-withal.

**CHESS SOLUTIONS**  
Solution to Position No. 262  
1 P-Q6, N-KP; 2 Q-Q5 ch, K-R1;  
3 BxR, QxR; 4 QxN, QxQ; 5 N-B7 ch and wins.

**Solution to Problem No. 262**  
The obvious answer is 1 R-B4, KxR; 2 Q-Q6 mate—but Black has no legal last move to reach the diagram so it must be his turn to play and not White's. With Black to move, there is a dual solution: (a) 1 KxR (Q4), R-Q7 ch; 2 KxN, R-K2 or if K-B3, B-R4; or if K-K3, Q-B3; or if K-K3, B-N4; or (b) 1 KxR (B2), R-Q7 ch; 2 K-K3, B-N4; or if K-K1, Q-K7; or if K-N3, Q-Q3, or if K-N1, Q-B3.

## Smiths and jazz

The National Youth Jazz Orchestra has entered a three-year period of sponsorship with W. H. Smith and Son, the high-street bookseller who are also among Britain's biggest record retailers.

In 13 years, NYJO has established itself as the only nationally-based youth jazz orchestra in the world and, furthermore, the only permanently-formed British big jazz band in the country playing music entirely by British writers and actively promoting it. It tours regularly in the UK and abroad.

All this has been achieved without any form of subsidy. Now, as part of a newly-expanded sponsorship programme, W. H. Smith has offered substantial support that will continue until 1982. Until now, the orchestra has relied almost entirely on the energy of its founder, chairman and musical director, Bill Ashton. For an orchestra which is almost full-time—performing, on average, twice a week—the administra-

tion provides an increasing burden that has contributed largely to the necessity for financial support.

W. H. Smith agreed to this support, partly because NYJO clearly falls into the category of arts and youth, which is the combination that typifies their sponsorship policy.

**BAT Inds. sponsor St. John's concert**

BAT Industries are continuing their association with St. John's, Smith Square, by sponsoring a concert there next Sunday, April 8 presented by the Philharmonia of London and the Saltarello Choir conducted by Richard Berrans.

The programme includes Mozart's early Te Deum.

Year Weekend: E. Austria 28.00, Belgium 22.50, France 9.90, Italy 17.75, Greece 72.50, Spain 138.50, Switz. 3.54, U.S. 2.00. Source: Thomas Cook.

## Faith Brown

Country Cousin, temporarily running short of the American cabaret performers who acclimated immediately to this London Chelsea transplant of New York Chelsea, has looked to the English provinces, and to the television screen, for its current entertainment. Faith Brown seems to have survived the craze when everyone on television was talking like Max Bygraves apart from Max Bygraves who was talking like Tommy Cooper. Now that human impressionists are as dead as animal impersonators Miss Brown must be glad she is a woman with a body.

Unlike most of her competitors Faith Brown makes no attempt to look like her material. Instead she tries to distract attention from this gap by emphasising her figure: Mike Yarwood does not wear a tight and slight black dress. The effect is unsettling: are we supposed to react to Faith

Brown as a glamorous (even though it is old-fashioned glamour) woman or as an impersonator? I felt inclined to react with horror, especially as she trailed one of the longest leads in cabaret history and threatened to reach the distant tables supporting the Press.

## CABARET

ANTHONY THORNCROFT

The problem was that she was putting across her TV or northern club act to an audience which would consider itself sophisticated to the point of in-breeding. For a start Miss Brown affected the voice of Hylda Baker, not often seen in the Kings Road, and from then on the accents came flying in all

directions, well done but not particularly funny and rather odd coming from someone so unlike the voice. Only Marilyn Monroe, with whom there is a superficial resemblance, hit home with Margaret Thatcher, Vera Lynn, Barbra Streisand and more, there was a jump made between the eyes and the ears that never seemed worthwhile taking.

With a sympathetic audience Faith Brown is probably a wow. Here she was interesting rather than appealing. An easy criticism is that it was the old caricatures, Mae West yet again (has anyone ever appeared at Country Cousin and not been Mae West for a minute?). At the end she almost changed my mind with a Kate Bush, and the promise of Lene Lovich when she has mastered the voice. For the moment it is just vamped up aggression with funny accents intriguing but hardly fun.

## THEATRES THIS WEEK... AND NEXT

**ROYAL SHAKESPEARE Theatre, Stratford-on-Avon.** The Stratford season has opened with productions of two of Shakespeare's lesser performed plays—*The Merry Wives of Windsor* and *Pericles*. Trevor Nunn has relied on horseplay and prettiness to enliven *Merry Wives*, in which John Woodvine is a dignified Falstaff. *Pericles* is effectively done without

scenery but with Peter McNery as Pericles. The British premiere of Lillian Hellman's *The Autumn Garden* opens at the Palace Theatre, on Monday while on the other side of London Pizarro's comedy *Dandy Dick* is revived at Bromley the next night. Also on Tuesday another American import Chicago finally reaches London after a success in Sheffield. Jonathan Miller's

production of *Ethereage's Restoration comedy* She would if she could has its delayed opening at Greenwich on Wednesday while in Liverpool Dr. Jekyll of Rodney Street starts the same night. On Thursday *Loves Labour's Lost* transfers to the Aldwych from Stratford and at the Half Moon there is *Accidental death of an anarchist* by Dario Fo, presented by Belt and Braces.

## Bookcase sold for £6,000

Christie's closed the week of Impressionist and modern pictures sold in the London sale-rooms with a minor auction of drawings and sculpture which brought in £25,335, making a total for the week of £1,467,336. The top price yesterday was the £4,800 paid by the Richmond Gallery of London for "Enfants

for a set of eight early George III mahogany chairs. Among the carpets, a pair of Kashmir rugs realised £1,650. A pair of Victorian Corinthian five-light candelabra sold for £1,700 at Christie's South Kensington, while the highest price at Bonhams was the £3,700 paid for a large Wu Tsai saucer dish. A Chinese stone relief of Quan Yin sold for £2,800.

The Sotheby's auction of children's books at Chancery Lane brought in £36,627 over two days. Perhaps the most interesting prices were the £950 for a Beatrix Potter watercolour of a pair of young thrushes in their nest and £900 for a large watercolour of a spider by the same writer/artist. Two volumes of Wagner, illustrated by Arthur Rackham, fetched £330.

## An evening of British jazz

An evening of British jazz is being presented by Pizza Express Music on Friday, April 20 at the Logan Hall Theatre, 20, Bedford Way, London, W.1.

Most of the musicians appearing are among the regulars at the sessions held at the Pizza Express in Dean Street and at Pizza on the Park, Hyde Park Corner. These include pianists Eddie Thompson, Brian Lemon,

Lennie Felix and Johnny Parker, guitarists Martin Taylor and the Isaacs, plus saxophonist Tony Coe.

Also appearing during the evening will be the London Jazz Big Band, Harry Gold and his Pieces of Eight and guest artists Larry Adler, on harmonica, and Al Grey, former trombonist with the Count Basie orchestra. Compere will be Humphrey Lyttelton.

## ROYAL FESTIVAL HALL

## ROYAL PHILHARMONIC ORCHESTRA

THURSDAY NEXT 12 APRIL at 8 p.m.

WALTER WELLS

PRINCIPAL CONDUCTOR DESIGNATE

Programme includes

## TCHAIKOVSKY Piano Concerto No. 2

Elisabeth Leonskaja

For full details and change of programme see RPH page

THURSDAY 19 APRIL at 8 p.m.

## LONDON SYMPHONY ORCHESTRA

Return of the legendary Rumanian Conductor

## SERGIU CELIBIDACHE

STRAUSS: *Die Enteninsel*

KODALY: *Dances of Galamb*

DVORAK: *Symphonic No. 7*

£2.50, £4.50, £6.50, £8.50 all others split Box Office (01-928 3191) & Agents

MONDAY 23 APRIL at 8 p.m.

In the presence of H.M. The Prince of Wales

## English Chamber Orchestra

## BACH: ST. JOHN PASSION

PETER PEARS Evangelist

IAN CADDY Christus

FELICITY LOTT

JOHN SHIRLEY-QUIRK

THE BACH CHOIR

DAVID WILCOCKS conductor

£4.50, £6.50, £8.50 (all others sold) Hall (01-928 3191) & Agents

In association with National Westminster Bank

WEDNESDAY 25 APRIL at 8 p.m.

## LONDON MOZART PLAYERS

Conductor: HARRY BLECH

Symphony No. 32 in G

Concerto No. 23 in A

Concerto No. 24 in C

Concerto No. 25 in F

Concerto No. 26 in D

Concerto No. 27 in B

Concerto No. 28 in E

Concerto No. 29 in A

Concerto No. 30 in G

Concerto No. 31 in D

Concerto No. 32 in B

Concerto No. 33 in A

Concerto No. 34 in G

Concerto No. 35 in D

Concerto No. 36 in A

Concerto No. 37 in G

Concerto No. 38 in D

Concerto No. 39 in A

Concerto No. 40 in G

Concerto No. 41 in D

Concerto No. 42 in A

Concerto No. 43 in G

Concerto No. 44 in D

Concerto No. 45 in A

Concerto No. 46 in G

Concerto No. 47 in D

Concerto No. 48 in A

Concerto No. 49 in G

Concerto No. 50 in D

Concerto No. 51 in A

Concerto No. 52 in G

Concerto No. 53 in D

Concerto No. 54 in A

Concerto No. 55 in G

Concerto No. 56 in D

Concerto No. 57 in A

Concerto No. 58 in G

Concerto No. 59 in D

Concerto No. 60 in A

Concerto No. 61 in G

Concerto No. 62 in D

Concerto No. 63 in A

Concerto No. 64 in G

Concerto No. 65 in D

Concerto No. 66 in A

Concerto No. 67 in G

Concerto No. 68 in D

Concerto No. 69 in A

Concerto No. 70 in G

Concerto No. 71 in D

Concerto No. 72 in A

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Concerto No. 149 in D

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Concerto No. 151 in G

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Concerto No. 153 in A

Concerto No. 154 in G

Concerto No. 155 in D

Concerto No. 156 in A

Concerto No. 157 in G

Concerto No. 158 in D



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF  
 Telegrams: Finantime, London P84. Telex: 380341/2, 380697  
 Telephone: 01-245 8000

Saturday April 7 1979

## An eventful week

IN THE days when playgoers were more demanding, and could in any case get drinks while the performance was going on, theatre managements used to lay on musical or other entertainments between the acts. In our economic life too, it now seems that whatever hidden hand manages events between Governments is anxious that we should not get bored. It was a dull non-Budget, with an eventful week—the Bank of England amazing upsidown juggling act, Leyland in Eastern costume, and near-tragedy in Pennsylvania. What is more, all these events matter.

## Unusual

The inverted sterling crisis seems to have caused the most excitement, for though an uncontrollable rising pound is not a complete novelty—it was on display only 18 months ago—it is still unusual enough to attract comment. It is far from inexplicable, though; on the contrary, much of the confusion arises over the fact that there are three independent causes conspiring to produce the same effect: the recovery of the dollar, North Sea oil, and our own mistaken policies.

The recovery of the dollar, which has imposed a pause at least in the huge adjustment of exchange rates which disturbed the previous two years, has produced odd results in a number of markets. Inside the European Monetary System, all the traditionally weak currencies are now the strong ones, led by the lira and the Danish krone, while the Deutsche Mark is relatively weak. The Japanese yen, despite huge trade surpluses, has fallen precipitately.

The basic reason is that once the dollar turned, and the market ceased to believe that the previously hard currencies were going to rise for ever, interest rates suddenly became important again, as they were in the days of fixed exchange rates. Countries with inflation problems have high interest rates. Market forces are now acting to pull up interest rates in the hard currency countries, and trying to depress rates in the former soft currency countries, as the Bank of England had to concede in its cut in Minimum Lending Rate on Thursday.

## North Sea oil

However, the obstinate strength of credit demand in what is becoming an overheated U.S. economy is slowing down this adjustment process, and meanwhile exchange rates are being pulled in unusual directions. The launching of the EMS, with its implied guarantee of exchange rate stability inside Europe, has reinforced market sentiment.

Sterling started as a shadow member of the EMS, with a suffi-

cient record of exchange rate stability to command some credit in this aim. What blew the pound right through the top of the system was the Iran crisis and its consequences. The value of payments has been much enhanced. When this attraction is combined with the high interest rates needed to finance an excessive borrowing requirement, and a system of exchange controls designed to keep sterling scarce, only one result is possible.

The obvious cure for this disease is to abolish exchange controls, as is in any case required by the Treaty of Rome. But the signs so far are that even Conservative government would move very cautiously in this direction. North Sea oil will not after all, last for ever. Meanwhile the cuts in government borrowing which would help to reduce both inflation rates and interest rates will not be achieved overnight.

Meanwhile, we have a few brief years to hope that British industry will be ready to perform better than in the past when our oil inheritance is spent. Leyland's approach to this problem, an attempt to buy Japanese technology, has caused some shaking of heads, but it makes good sense; Leyland is not the only British enterprise which has allowed itself to fall dangerously far behind in research and development, because these activities have been unrewarding both to the technicians and to their employers. This speaks volumes about what an American commentator described as our "lunatic" tax structure this week.

## Wage rates

However, it is also interesting to note the reason for Honda's interest in Leyland: despite inflation, and the recovery of sterling British wage rates are irresistibly low by European standards. In fact there has been a general revival of foreign direct investment in the UK, which may prove to be our second enriching windfall.

For the world at large, the near-disaster at Harrisburg, Pennsylvania, could prove to be the most economically significant event not only of the week, but of the year. It will greatly reinforce the resistance to nuclear power development not only in the U.S., but all over the world. This can only mean nagging energy shortages, which could start on the U.S. East Coast as early as this summer. Energy policy is suddenly urgent again, as President Carter has recognised with his unpopular but necessary proposal to deregulate oil prices in the U.S. This problem will still be with us when politics and financial markets are back to what passes for normal.

# Mr. Carter's unsure way to an energy policy

By JUREK MARTIN, U.S. Editor

MR. DALE BUMPERS, the highly-regarded Democratic Senator from Arkansas, is one of President Carter's best friends on Capitol Hill and an influential member of the Senate Energy Committee. He has criticised the President both for failing to provide national leadership on energy matters and in particular for relying too much on the price mechanism and nothing like enough on rigorous mandatory conservation to curb the American appetite for oil.

His often pungent and always articulate general criticism, which is also directed at his fellow members of Congress, piled besides the comments he delivered in an interview on Thursday morning only hours before Mr. Carter presented his new national energy policy to the nation.

Knowing full well what was about to be proposed, Senator Bumpers satly predicted that the President was "driving the last nail into his own political coffin." Forecasting that the new package would produce the worst of all worlds in the shape of higher prices and no guarantees of additional domestic production—Administration estimates, he said, were arbitrary and dragged out of the air—he implied that nothing Mr. Carter was doing would assuage American agitation "at our inability to control our own destiny."

This assessment, it must be emphasised, comes from one of the President's most dependable allies, not from the legion of his opposition.

Mr. Carter has, in fact, delivered his energy policy Mark II to a deeply sceptical, divided and disbelieving country. His televised address did not duck this reality, nor did it beat about the bush: "I'll give it to you straight," he said. "Each one of us is going to have to use less oil and pay more for it."

He spoke of America's dangerous dependence on oil supplies from unstable parts of the world. He foresaw special interest groups, and not merely the oil industry, trying to pull the package to pieces. He called for popular support for his middle of the road approach and for a new spirit of conservation. Mr. Carter, as the world knows by now, is not the greatest speaker on earth, but Thursday night's was one of his better, more eloquent efforts.

The basic questions which have to be answered are whether the new policy will make much difference and how much of it will survive mastication in Congress. The package, much like the first one in April 1977, is immensely complex, running the full gamut from oil through solar power to efficient wood burning stoves, with parts of it in the indisputable power of the President to dispose and large chunks up to Congress. The sheer detail of

the proposals may, indeed, be one of the inherent weaknesses, in so far as it makes that much harder for the public to comprehend the issue and the need to conserve. In trying to give at least something to everyone, Mr. Carter runs the risk of satisfying nobody.

The centre-piece of the plan are the phasing out over 28 months from this June until the end of September 1981 of federal controls over domestic oil prices and the introduction of a windfall profits tax on the oil companies. Proceeds of this tax are to be distributed to pay for research into alternative sources of energy, for mass transportation, and as a cushion to the poorest Americans.

The first measure is a presidential prerogative with which Congress cannot interfere. The second is in the lap of the legislature. Mr. Carter chose not to make the implementation of the first part contingent on passage of the second—a tactical decision of which more later.

Approximately two-thirds of all American-produced oil is currently subject to federal price controls, roughly equally divided between "old" oil (discovered before 1973 and selling for about \$6 per barrel) and "new" oil, which is fetching nearly \$13 per barrel. Controlled oil, however, accounts for only about 40 per cent of American consumption: imported crude, amounting to over 40 per cent of supply is exempt, as is Alaskan North Slope oil, the production from "stripper" wells turning out 10 barrels a day or less and oil from the naval petroleum reserve.

There are widely varying industrial and official estimates of the additional domestic production that would be generated by the lifting of controls. Administration spokesmen this week were forecasting that decontrol could result this year in anything between an extra 80,000

and 230,000 barrels per day in domestic output, rising to 520,000-600,000 b/d by 1982 and 740,000 b/d by 1985. Industry estimates run from anything between 400,000 and 1.2m b/d.

The U.S. currently consumes something like 17m b/d, thus making new output a relatively small drop in the total bucket.

Moreover, with the Atlantic coast turning up dry, there is no great optimism that the U.S. is really awash with oil. Indeed, the reduction of imports that could be provided by extra home oil production are, even by the Administration's own estimates, smaller than the impact of serious conservation and of switching to non-fossil fuels. It is principally by the latter route, and not new productions, that the U.S. will be able to meet its commitment given last month at the International Energy Agency meeting, to cut consumption by 5 per cent this year. Even the impact on prices of removing controls is quite modest. Americans could find themselves paying an additional 5-8 cents a gallon more for petrol at the pump and for home heating oil. Taken together with other administrative actions recently instituted by the Energy Department and a further rise of Opec prices, that could usher in the dawn of the \$1 gallon. But that would still be cheap by international standards.

## Politics of decontrol

Nevertheless the politics of decontrol—not to mention sheer equity—has induced Mr. Carter to balance decontrol with the windfall profits tax on the oil companies (proposed at 50 per cent on extra revenues from decontrolled domestic and OPEC oil), with a bill that

## WHAT PRESIDENT CARTER PROPOSED

Lifting of federal controls on the price of DOMESTICALLY PRODUCED OIL between June this year and September, 1981, bringing U.S. oil up to world price levels.

A 50 per cent WINDFALL PROFITS TAX on oil companies plus closing of foreign tax credit loopholes.

Proceeds of tax, estimated at over \$10bn in next three years, to establish ENERGY SECURITY TRUST FUND, to be used for aid to the poor, mass transportation, and research into alternative energy sources.

Special commission to investigate NUCLEAR ACCIDENT at Three Mile Island and to recommend ways to improve safety in all nuclear power plants.

Major new message on SOLAR ENERGY to come shortly.

Congress asked to pass existing proposals controlling HEATING and air conditioning in public buildings.

Department of Energy ordered to cut

through red tape so that the SOHIO PIPELINE from southern California to Texas can be built and ordered general crackdown on bureaucratic delays affecting energy facilities.

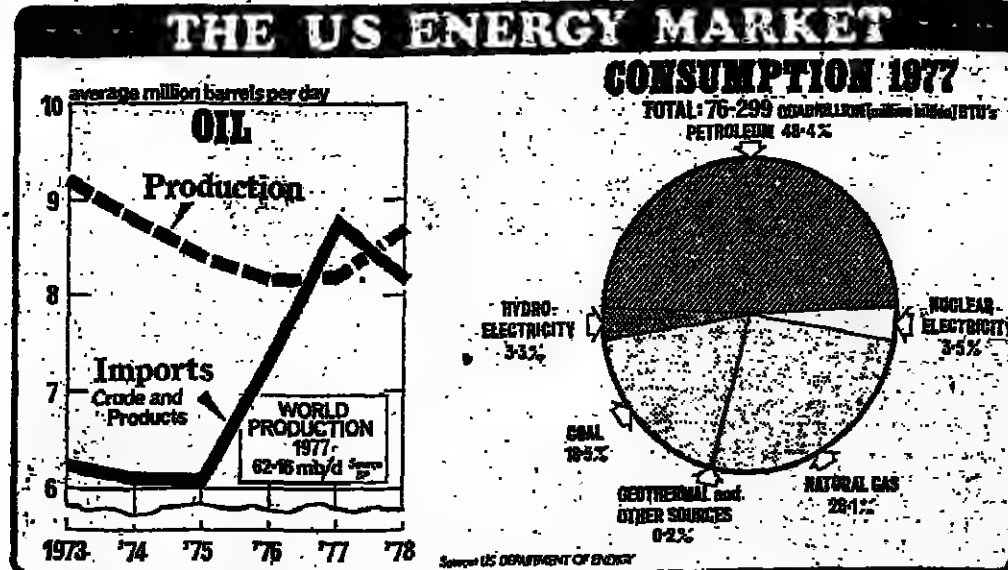
Americans are to be asked to drive THEIR CARS 15 less miles per week. Free car parking for government employees to be phased out.

Favourable tax consideration for WOODBURNING stoves and "gasohol" in which petrol is stretched by the addition of alcohol.

More FEDERAL LANDS to be freed for oil and gas exploration, including land in the Alaskan naval petroleum reserve.

Planned phase out of use of LEAD IN PETROL to be delayed and greater use to be allowed of high sulphur oil, partly reversing earlier environmental regulations.

Hope held out of conclusion of major natural gas deal with MEXICO.



President could have made it work if he overtly linked decontrol with the tax to put the heat on Congress. Even Republican luminaries, such as minority leader of the House John Rhodes, have spoken of the need, given the recent surge in corporate profits, for a greater sharing of the burden. But the danger is that the argument will get lost in the very complexity of the energy package, which, as Congress debates it, will see relatively minor matters (such as ending free parking for government employees and tax credits for wood-burning stoves) become the subject of major battles. It is a process in which, as the travails of Mr. Carter's first Energy Bill demonstrated, an excusing pun, the wood can get lost for the trees.

## Some unholy alliances

Given the nature of Congress, it is a certainty that this will happen. For every lobby which Mr. Carter has satisfied—the solar and natural gas industries, for example, are delighted—another has been disaffected. The New England caucus is aghast that decontrol will add more to energy costs in this part of the country and is contemptuous of the small concessions it feels the President has made in his package. Environmentalists, whatever comfort they may take from the troubles of nuclear power, will fervently oppose the proposals to slow down the phase-out of lead from petrol and to cut through bureaucratic environmental red tape. The list is endless and it can arrange some unholy political alliances.

Underlying all these concerns there is the apprehension about what the programme will mean for an already troubled economy. Administration officials are claiming that the negative impact will be marginal—0.1 per cent on the Consumer Price Index this year, 0.2 per cent to 0.3 per cent in each of the succeeding three years, and 0.1 per cent off this year's growth rate.

Such figures belittle the intense internal debate among Mr. Carter's advisers about the inflationary consequences of decontrol. With the cost of living now going up by over 10 per cent a year, the U.S. is hypersensitive to anything that further pushes up prices, particularly at so visible a point as the petrol pump. The President responded to this in his speech when he maintained that his policy would be counter-inflationary because it would cut the trade deficit, enhance the value of the dollar, and thereby make imported goods cheaper. But people remain unconvinced.

If this assessment sounds rather bleak, it must, in fairness, be balanced by pointing out that there are some signs that America, consciously or not, is adopting a more rational use of energy. Figures out this week showed that fuel-efficient imported cars now command nearly 25 per cent of the domestic market. There is an eight-month waiting list for the diesel-engined Volkswagen Rabbit (known as Golf in Europe), and some dealers are charging \$5,000 above list price to impatient buyers.

A senior Administration official argued on Thursday that since 1973, industry's use of energy has dropped 6 per cent, though its output of goods has risen by 12 per cent. There is some evidence on the other side. Driving to New York last week, it became obvious that hardly a soul is now obeying the 35 mph speed limit. Soaring sales of petrol over the last six weeks in spite of escalating prices suggest either that the country is on a last binge of more disturbingly, that it is no longer constrained on consumption.

It is also clear that only Mr. Carter can harness whatever

**CRUDE OIL PRICES**  
 (April 1979, US\$ a barrel)  
 U.S. controlled lower tier Saudi Arabian Light (OPEC market crude) \$14.50  
 Algerian Saharab Blend \$15.50  
 (Of U.S. crude output \$13.13 per cent is lower tier grade, 34.56 per cent is super tier, 13.91 per cent is Alaskan North Slope, 14.11 per cent is enhanced oil production, 1.29 per cent is U.S. Navy production.)

**PETROL PRICES**  
 (average price in pence per Imperial gallon—March 1979)  
 U.S. 45p 16%  
 Britain 84p 46%

latent spirit of conservation exists by reducing the full weight of his office. Follow-through has been a consistent weakness of his presidency. That certainly was the case with the first energy package two years ago.

He has not, however, avoided the unpopular. He could prove Senator Bumpers wrong, but it will require the sort of public application that brought Messrs. Suet and Begin to the peace table. He can expect little help: no sooner had he wound up what was by any standards a major address on Thursday night than the television networks, with no more than a perfunctory word of summary, switched promptly back to their crime shows and situation comedies.

## Letters to the Editor

### Banking strength

From Mr. J. B. Aitken

Sir—Mr. L. Boorne suggests (March 31) that much of the clearing banks' strength has been in their ability not to fully disclose reserves, that these undisclosed reserves enable the banks to fight off unwelcome takeover, and finally that analysts should make do with such information as is currently available. None of these contentions are wholly justified.

On the first point, it seems obvious that these reserves are a source of the banks' strength, not because they are hidden, but because they exist. Disclosure would not detract from this, unless of course the reserves were much smaller than expected. In that case, part of the strength previously attributed to the banks was unjustified and, from the investors' and depositors' point of view, is surely useful that such illusions are dispelled. In any case, disclosure would probably help ensure adequate provision, and the community would be less dependent on the not infallible Bank of England for supervision.

Non-disclosures' usefulness in a bid situation is at best twofold. Resistance to a bid would in large part have to be based on the true net worth of their shareholders' investment was. It is stretching loyalty a bit to ask investors to take on trust that a nominally very attractive bid undervalues the shares by a significant amount, representing a "hidden" reserves.

Finally, Mr. Boorne questions analysts' rights to "any further private information." Obviously there is a point beyond which further disclosure would be unwise. However, the banks appear to be some way from this position, and many bankers would agree that a move to, say, U.S. standards of disclosure might reap certain benefits, particularly in a greater public understanding of the problems facing the banks. More to the immediate point, the banks have invited the public to sub-

scribe for £300m of new stock since 1973, and their capital base is significantly dependent on share capital. Given this commitment, it is reasonable that the investing public demand rather more openness in order that they may be convinced—through their brokers' analyst—that the banks are solid investments with a profitable future. This is no longer taken for granted as their current rating indicates, and if the banks believe they have such a future perhaps they could help by providing investors with sufficient information to allow them to come to the same conclusion.

J. B. Aitken

311, Kings Road,

London, SW3.

### Jordan's role

From Dr. Jamal Nasir

Sir—In your issue (March 30, Page 1) you referred to the "Jordan threat" which calls for a strict explanation of the true nature of the relationship between the West and East Bank of the Jordan, in particular since 1948. It is felt that the following exposition will provide your readers with a proper understanding of Jordan's role in view of its deep and recognised involvement.

When the 1948 tragedy came about, the Hashemite Kingdom of Jordan joined the Arab countries that hastened to assist the Palestinian people in defending itself against the attempt to uproot it from its land by force. Specifically the late King Abdullah, who ultimately lost his life because he had the sincerity and foresight to call for an honourable and peaceful settlement, responded to a plea made by the Palestinian people in the Arab League asking King Abdullah to enter the West Bank.

Jordan strove to protect the remainder of Palestine in the West Bank from occupation and from the Israeli attempts to empty it of its inhabitants. The unity of hope and brotherhood culminated in a consensus between the Jordanian Leader-

ship and Palestinian Leaders in the West Bank to establish a constitutional unit which was achieved in 1950 by constitutional means and through general elections. This unit was established without prejudice to the full rights of the Palestinian people, and was based on Jordan's belief in self-determination for the Palestinian people when circumstances permitted or whenever possible.

The Hashemite Kingdom of Jordan—while linking its future and politics with the Palestinian hopes and interests—remained keenly aware of the fact that the Palestinian identity and Palestinian personality are established historical realities and that should neither become obscured nor impersonated.

It is not therefore a coincidence that His Majesty King Hussein attended the inauguration ceremony of the Palestine Liberation Organisation in Jerusalem in 1964. Nor was it a coincidence that in 1974 in Rabat His Majesty joined the consensus to the effect that the Palestine Liberation Organisation is the sole representative of the Palestinian people.

It should, therefore be understandable that Jordan cannot join any peace efforts, if such efforts do not take fully into account the basic issues.

Dr. Jamal Nasir,

Former Minister of Justice

of Jordan.

2, Stone Buildings,

Lincoln's Inn, W.C.C.

### A wage formula

From Mr. J. E. Ropson

Sir—In the Lombard column (April 2) Mr. Samuel Brittan referred to a wage formula put forward by Richard Layard of the London School of Economics in his Colston Research Society annual lecture recently. By adjusting wages month by month in line with the retail price index after creating a starting rate based on the average inflation rate over the previous 12 months, it would be possible to keep real wages at an approximately constant level. In prac-

tice some difficulty would arise in making monthly adjustments due to the necessary delay in publishing the index.

Advantage can, however, be taken of this delay by allowing a form of fiscal drag to affect the working of the formula in a manner which will help to reduce inflation rates while maintaining the morale of the wage earner.

It is suggested that wages should be adjusted every six months on the basis of the change in the retail price index averaged out over a six months period ending, say, three months before the beginning of each adjustment. Thus, if an organisation reviewed wages on February 1 and August 1 the February review would be based on the retail price index between May 1 and October 31 of the previous year. This would allow time for the last of the relevant indices to be published and the adjustments calculated.

During periods when inflation rates were rising the formula would cause wages to increase more slowly than the rate of rise of the cost-of-living index. Due to the considerable influence of wage levels on the index, the application of the formula would thus help to reduce the rate of increase in the cost of living. As inflation rates began to fall the wage rate increases would overtake the inflation rate and thus wage earners would be encouraged and rewarded by a falling inflation rate.

The net result would be to maintain approximately the level of buying power when averaged over several years. Overall there might well be a considerable benefit to the trading position of the country as a whole if the application of such a formula had the effect of reducing the rate at which inflation would otherwise have increased.

The above reasoning is based on equating wage adjustments to the rate of inflation changes, albeit with a built-in delay. A powerful but logical tool could be provided whereby the government could from time to time recommend a factor (probably less than 1.0) by which the mean rate of inflation used in

the formula should be multiplied in order to calculate the subsequent change in the wage rate. For example, at times when wage restrictions might be appropriate the government would suggest that wages should not rise by more than, say, 80 per cent of the rise in the retail price index for the relevant earlier six months period. Such a system would not only appear to be fair to all but would also attenuate the effects on wages of a fall in the retail price index should this ever occur. It is important to remember that any formula of this type, as was emphasised by Mr. Brittan, can only "provide a measuring rod which would allow negotiations to take place in real terms."

J. E. Ropson,

Nash Road,

Dibden Purlieu,

Southampton.

### Home insurance

From Mr. David Eldridge

Sir—If I understand the letter (April 5) from the Secretary General of the British Insurance Association correctly he is saying that the amount that will be paid under my insurance policy on my home in the event of total loss depends upon whether or not I rebuild it. Perhaps he could tell me why he thinks that the insurer rather than the insured should be the arbiter.

I appreciate that it is only the loss which is to be covered but this to me would be the loss of a house standing on a particular piece of land. Another house on another piece of land may provide similar accommodation but it can never be the same. If my insurance company is prepared to foot the bill in the event of my deciding to rebuild the house that has been destroyed would it be prepared to foot the bill if I decided to build that house on another plot? If so, and the new location for the house were to be in an area where building costs are less, would the insurance claim be reduced even though if I were to sell the completed house on the original plot I would get more for it than I would need to pur-

chase an identical house in the new area?

Unless all the answers to the questions are what I (and I believe the vast majority of policyholders) consider to be reasonable perhaps Mr. Burrell could also tell me what his Association's attitude would be towards the loss of my wife's engagement ring. In that case it would, of course, be much easier to have an exact replica made but would he insist upon this before he met her claim and if so would he insist that she always wore it on the same finger?

Mr. D. Eldridge,

45 Pont Street, London, S.W.1.

### FT to the rescue

From Mr. Colin D. Purves

Sir—A few days ago I was out walking, and I must have covered miles across country. I was tired; my feet were beginning to ache, and my boots, through picking up so much mud, were heavier than usual. But, as I slouched along a footpath gazing disconsolately down at them, I suddenly had an inspiration. It could only have been that for I was too exhausted to think of ideas.

I sat down; took the Financial Times of the day from my rucksack, and pulled out my boots. I then tucked a well-folded newspaper of my paper into the bottom of each boot, and put them on again.

Thereafter life became much more bearable. I walked with a springier step; I no longer looked down in despair at my mud-caked boots but chose to view the wonders of the countryside around me. I enjoyed the rest of my walk, for with every stride I took I became more and more convinced that, by using his country's economic problems as foot rishions, I was the first Englishman to get well and truly on top of them.

Colin D. Purves,

13, Barnhill Avenue,

Bromley, Kent.

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مكتبة النخيل



# Life beneath Corby's steel sword of Damocles

BY CHRISTOPHER LORENZ



Alan Davidson in the shadow of Corby's steelworks—a life on the dole looms for him and perhaps thousands of others.

LIKE THOUSANDS of other Scots in the late 1950s and early 1960s, Mr. Alan Davidson was drawn south to Northamptonshire by the promise of a secure future at Corby's fast-expanding and ultra-modern steelworks.

Like many of their compatriots, he and his wife had to live for a while at a disused army camp nearby, such was the shortage of housing at the height of the boom.

The Davidsons arrived in 1961 from the hotel in Oban where they had been working. Alan is a chef, his wife a waitress. Since 1964, Mr. Davidson has worked as a "de-scanner," descaling steel billets after they have been rolled for the first time.

It was in the same year that the works found itself so short of clerical staff that several school-leavers, including himself, were employed to help out. In any case, his checking without so much as a slide-rule, the arithmetic of a new and highly unreliable computer. Now, 15 years later, the British Steel Corporation's more up-to-date computers have calculated that the Davidsons' dream of security is dead, killed by the acceleration of steel technology, the fierce surge of international competition, and the slowdown of world growth.

According to the BSC, Corby's steelworks has been rendered uncompetitive by the advent of more modern, fully-automated plants with direct access to imported ore. As a result, over half Corby's 10,500 steelworkers, including Mr. Davidson, have been living for the past two months under the threat of closure. The BSC's plan is to close steelmaking entirely, leaving Corby only at a tube manufacturing centre.

The fight against closure has hardly begun, but it promises

to be tough and bitter. For the largest steel closure ever known in Britain, the BSC has chosen a one-industry town where unemployment has been running at between 7 and 9 per cent, well above the national average, and where the vast majority of people have no prospect whatever of re-employment.

For a 52-year-old like Alan Davidson, with a skill peculiar to the steel industry and who is tied to Corby by strong social roots (and an all-but unsaleable house), the future is bleak. His plight typifies that of hundreds of thousands of people in outdated jobs all over Europe, from steel to shipbuilding, textiles to tyres, engineering to even parts of electronics.

## More again

The minority of people who are prepared—often for the second or third time—in their lives to tear up their roots, learn new skills and move across the country in search of new jobs, are all too likely to be defeated by the long row of obstacles they will inevitably encounter—including, in many cases, a fundamental lack of jobs.

For someone in such a dire situation, Mr. Davidson is remarkably calm, cheerful and above all—disgusted. But beneath the surface there lies a smouldering resentment about the remoteness of his ultimate, monolithic employer.

For the last decade or more, he alleges the BSC has worsened Corby's plight immeasurably by depriving it of investment. Proud of the standard of his own work and that of his colleagues, he argues that Corby's steel is of higher quality than the output from more automated—and favoured plants (such as Scunthorpe). He also claims that

Corby could resume profitable steelmaking if only it were allowed direct access to the market, a privilege it lost after the original Corby company, Stewarts and Lloyds, was nationalised a decade ago. The BSC forcefully denies both allegations.

The Corby workers' morale began to suffer long before the closure plan became known in early February, says Mr. Davidson. The factors which have rapidly driven the steelmaking plant into the red (to the tune of £30m a year) have already led to a gradual rundown of work. "It's very demoralising. Towards the end of each week, there's nothing to do in the works but sit and start at each other. People start thinking 'to hell with standards. It's a completely different attitude from when there was full employment'."

For many of his colleagues, the most selling thing of all is their helplessness. "The same people who used to make the profits are still working here. But now we're told there's a loss. It's not surprising that many people think the BSC's wrong, and that when the recession ends, we'll be profitable again."

With considerable force from such a normally quiet-spoken man, Mr. Davidson emphatically complains of "BSC's strategy of demoralising us," both in the last few years and since the closure plan was revealed—an allegation apparently given some weight by the way in which the Corporation has left its (officially unspoken) sentence of "death" hanging over the heads of the Corby workers and their families for about two months without indicating when and how the axe is planned to fall. Sound negotiating tactics, no doubt, but hardly humane. For his part,

the BSC blames the unions for taking so long to respond to its request for talks.

"We're not by nature a militant lot," Mr. Davidson claims. "In the 18 years I've been here, I've only once been in a strike. But as people realise how devastated the town will be if BSC gets its way, attitudes will definitely change." He admits that a few people will be content to take their redundancy money and leave. "But even if they get £6,000, that's only a year's wages" (pre-tax; Corby pays above the national average for manual workers). "I don't see many accepting that."

Even if he were to do the unthinkable, and accept redundancy tomorrow without a fight, his prospects would be bleak indeed. Before the closure loomed, an independent firm of consultants had estimated that Corby would need to find about 500 new jobs per annum over the next few years merely to keep pace with the natural growth of its labour force. The consultants thought this target was just about capable of achievement, but the potential addition of up to 6,000 redundant men to the labour market has utterly exploded their grounds for optimism.

## Unwanted skills

The first problem for every redundant Corby worker will be one of skill. Many traditional jobs in the steel industry have required skills which are virtually unwanted elsewhere. Mr. Davidson rates his as one of them.

Why not re-train as a welder? After all, he has had to use an oxyacetylene torch with considerable accuracy for the last 15 years. "I'm not sure I could learn it. It's more skilled," he says. "Anyway, there's not a

great demand in this area for welders. Most of the welders I knew headed for Shetland and the oil boom."

Unfortunately, he is right. Not only is Corby a one-industry town, thanks to the long years (until 1967) when other industries employing men were discouraged from the immediate area because of potential labour shortages at the steelworks, but it is "an industrial island in an agricultural ocean," to quote a phrase used by many of its inhabitants. Moreover, the nearest towns of reasonable size, Kettering and Wellingborough, are relatively small, are eight and 17 miles away respectively, and specialise in such products as textiles and shoes, rather than heavy engineering.

The closest large towns, Northampton, Leicester and Peterborough, are well over an hour's bus ride away, thanks to the poor road network which has deterred several companies from setting up in Corby itself. Even in Northampton and Peterborough, where employment is booming, many of the new jobs are in the service sector or require entirely different skills—none at all. As Mr. Davidson says: "The only way most of my colleagues could be re-employed would be as labourers."

So why not look further afield, back to their original homes? For a start, many of the Scots (and Welshmen) who moved to Corby during the boom did so because they had been made redundant from the coalmines.

For Mr. Davidson, the problem is rather different. A native of Peterhead, then a small fishing community, he has seen his birthplace transformed out of all recognition by North Sea oil. One of the

original attractions to him of Corby had been its strong community spirit, a phenomenon unknown outside the steel, mining and fishing industries. To go back to Peterhead would no longer be "going home." In any case, the crucial question of skill would remain. "I suppose I could be a chef on a North Sea oil rig," he says ruefully.

His roots, and those of his family and friends, now are firmly in Corby. His wife does not want to leave, whatever happens. Nor do his two daughters: the elder, aged 15, looks like staying on at the local school to take her "A" levels. Whether she or her 10-year-old sister—or their thousands of contemporaries—will ever find jobs in the town is another matter.

In these circumstances, it is almost irrelevant to quote the classic barrier to labour mobility in Britain, and say that

Mr. Davidson would find it difficult to leave even if he wanted to. Six years ago, when Corby's Development Corporation began to sell off rented accommodation, he paid £3,500 for the house in which the family was living. Now, even if he were the only one to be made redundant, he would find it virtually impossible to get rid of it at any price, thanks to the combined effects of falling employment at the steelworks, and closures at many of the other factories which were attracted by Corby's diversification programme in the late 1960s. Many of the town's housing estates are scarred with boarded-up windows and other signs of dereliction.

Mr. Davidson is luckier than most of his threatened colleagues. For the first time, he is standing (for the Labour Party) at next month's local council election, and so will have something to do—though

no income worth mentioning—if Corby loses its fight against closure. But this is little consolation to someone who just cannot accept the prospect of spending the remaining 25 years until retirement—half his working life—on the dole. "I would not want to—I've always worked."

But Alan Davidson's hopes for the future rest on the unlikely combination of a considerable delay in the closure of the steelworks, the granting of special government assistance to Corby, and the sudden attraction of an unprecedented slew of new factories in the town.

Designated a "new town" less than 30 years ago, Corby certainly has a strong claim to special treatment. But on its Souths, Kettering, Sharncliffe and a hundred and one other threatened communities right across Europe's industrial landscape.

## Weekend Brief

### Irish eyes

The men from the Scottish Development Agency feel it was largely the fault of the Department of Industry that Scotland lost the Mestek plant, with its 1,100 jobs and micro-processor technology in the Irish Republic. If it is any consolation, they say at least they feel that they were beaten by one of the best in the cut-throat game of industrial incentives—Ireland's Michael Killeen.

Killeen has headed the Irish Republic's industrial development authority for nine years, and they have been years of remarkable success. A good deal of this is due to the personality of the chief executive himself. A dedicated public servant, he nevertheless combines the subtlety and tenacity of a top civil servant with a flair and capacity for taking tough decisions, which sits well in the world of big business, where he must necessarily move. Nowhere was this combination so evident as in the recent negotiations on the controversial De Lorean sports car plant now being established in West Belfast. The IDA were very interested. The plant could have provided 1,500 jobs in the Limerick area, where almost the same number were lost when the Dutch Ferret plant closed. But when Mr. Killeen became convinced that the return on £37m the IDA would have to put up was too doubtful, he put up his hands in a shrugging gesture, leaving the Northern Ireland office to pick up the dubious prize.

There is no need to doubt that the final decision would have been his. Although he believes in delegation—as he must with the IDA's relatively small staff of 600—so one in the authority is in any doubt on whose desk the "back" stops.

Certainly, Michael Killeen works in a very different environment than the men from the Scottish Development Agency who must get the approval of a whole range of local and national authorities for their plans. In Ireland the IDA is fully responsible for the disposal of 1,200 grant decisions taken by the IDA last year. Only about a dozen even had to go to the Government for approval.

The reason for this unprecedented power in the hands of one civil servant is undoubtedly the IDA's success story. Last year, the authority secured investment promising a record 30,000 jobs, and approved grants of more than £80m. Killeen hopes to do even better this year. Now 51, Killeen has served the Irish state since 1948. After studying economics, commerce, and political science, he is in the birth of Irish efforts to industrialise and sell its products, through the export Board, the Shannon free airport scheme, and the former, and much weaker, IDA.

There are also growing problems explaining Ireland's bad industrial relations in the public sector to potential investors. Roads and telephones are admittedly inadequate, and Killeen believes local authorities are not taking industrial



Just finding Lord (Bernard) Miles these days is a bit of a challenge. While contractors are re-planting and enlarging the Mermoid Theatre complex which lies beside the Thames in the City, Lord Miles and a skeleton administrative staff find themselves in a small nest of bidders huts in the corner of a yard full of concrete blocks, reinforcing steel and Tarmac barrels. Apart from enjoying the early moments of his new found role as a member of the arts lobby in the Lords the abolition of Miles is by no means idle. Apart from plotting new courses for the Mermoid he is steering the much praised Molecule Club through to even bigger and better things. The Club produces stage shows for children which, while wildly adventurous, are also instructive. Backed

by a series of British industrial giants—GEC, ICI and RTZ are among the magic initials—the Molecule performances are snatched up by local authorities and play to packed houses. But now Molecule, very much a Lady Miles enthusiasm too, is about to hit the public stage. It has taken over the Greenwood Theatre, part of London's Gaiety Theatre complex, from April 17 to April 25 for performances of The Suez, a melodrama that involves some knowledge of levers, wedges and pulleys. All good instructive and exciting stuff. Just the thing for the holidays. Tickets from the Molecule Club, Mermoid Theatre, Blackfriars, London EC4 0 23A 9521. (Kids 60p, adults £1). Performances at 11 am. You may not be able to find Lord Miles but the postman will.

the spot where Bhagat Singh was hanged was the self-same place where, many years later, the ambush was set—in the intervening period part of the jail where the hanging took place was knocked down to make way for a road.

Like the assistant superintendent, Mohammed Ahmad Khan, by mistake. The ostensible object of the ambush was his son, Ahmed Raza Kasuri, an opponent of Mr. Bhutto's who alleged the while incident was instigated by him.

Like Bhagat Singh, Mr. Bhutto was sentenced to death on the basis of a split verdict. The division of the judges, between Punjabis and non-Punjabis, also matched clear political divisions in the country.

Red silence  
Could a man who disappeared 34 years ago still be living as a prisoner in the Soviet Union's vast "archipelago" of prison camps? The Swedish Government thinks so because, after 14 years' silence, it recently asked Moscow to make new inquiries about Raoul Wallenberg, the Swedish diplomat captured in Budapest by the Russians after saving thousands of Jews from Nazi death camps. Despite Soviet claims that he is dead, the Swedes said that a man thought to be Wallenberg had been seen by a fellow prisoner in the Butyrka prison hospital in Moscow in 1975. The Swedish move reopened an issue which, like unhealed wounds, has troubled relations with the Soviet Union since the war. The Russians bluntly replied with the explanation they have given for 22 years—

that Wallenberg died in 1947 of a heart attack in the Lubyanka prison. He would then have been 34—and 67 if alive today.

Far from ending the matter, the Soviet reply has further stimulated the curiosity of many younger Swedes, reared on the "gulas" writings of exiled Soviet novelist Alexander Solzhenitsyn. The Swedish Government is now considering publishing some of the 7,000 official documents on the affair, despite a traditional 50-year restriction on release of State papers.

Over the years, public interest inside Sweden has waxed and waned. There was once a national Wallenberg committee with 1m members. But there were also "realists" who said the case should have been discreetly dropped years ago. It is believed that when the King of Sweden visited Moscow two years ago, he did not mention the case.

But Wallenberg's mother and step-father, Maj (correct) and Frederik von Dardel, never lost hope. They studied every new crumb of evidence from former Soviet prisoners and appealed, always in vain, for a new inquiry by the Soviet authorities. In February, following the latest diplomatic exchange, the elderly couple died within days of each other.

The family's campaign will now be led by Wallenberg's brother and sister. Much will also depend on the Swedish Government, which has sometimes been accused of not being active enough. Friends of the family say, however, they are satisfied with the attitude of the present administration.

Contributors:  
Brendan Keenan,  
Chris Sherwell,  
Arthur Sandles,  
Maurice Samuelson

## Economic Diary

**TODAY**—Dissolution of Parliament. Mr. Cyril Smith speaks at Liberal Trade Union Conference, Pontia's Holiday Camp, Blackpool. Association of Broadcasters Staff Conference opens, Surrey University, Guildford. Lord Home of the Hirsel at Guild of British Newspaper Editors Conference, North British Hotel, Edinburgh.

**SUNDAY**—National Union of Bank Employees Conference opens, Glasgow University. Mr. David Steel, Liberal Party Leader, opens National Federation of Self-Employed Conference, The Pavilion, Bournemouth.

**MONDAY**—Mr. James Callaghan, Prime Minister, launches Labour Party general election campaign, London, and begins

nationwide tour at a party rally, Glasgow. European Central Bankers begin two-day monthly meeting, Rome. Two-day meeting of EEC Agriculture Ministers opens, Luxembourg. EEC Environment Ministers meet, Luxembourg. Teachers' pay talks resume. Wholesale price index (March provisional). Advertising Association "Advertising and Price" report.

**TUESDAY**—Prime Minister in Manchester with tour of marginal constituencies in High Peak, Stroud and Most Side before speaking at an evening meeting in Stockport. UK banks eligible liabilities, reserve assets, reserve ratios and special deposits (mid-March). London clearing banks' monthly statement (mid-March). Central

Government transactions (including borrowing requirements) (March). Provisional figures of vehicle production (March). Sir Freddie Laker, chairman of Laker Airways, signs multi-million pound contract for European airlines, Savoy Hotel, London. Mr. Sidney Weighell, general secretary, National Union of Railmen, is guest speaker at London Chamber of Commerce luncheon. Savoy Hotel, London. Office of Fair Trading and British Photographic Industry statement on new photographic code of practice.

**WEDNESDAY**—Mrs. Margaret Thatcher opens Conservative Party election campaign with publication of her party manifesto. Prime Minister visits Hford and then speaks at a party meeting in Uxminster. Mr. David

Steel live phone-in, "Nationwide" BBC TV. British Railways Board annual report.

**THURSDAY**—Prime Minister visits Oxford and then addresses a party meeting in Cinderford, Gloucestershire. Bill pay talks resume. Building workers' pay talks resume. Confederation of Engineering and Shipbuilding Unions meet, Imperial Hotel, London. Retail prices index (March). Industrial production index (February provisional). Useful steel production (March).

**FRIDAY**—Young Liberals Conference opens, Bournemouth.

**SATURDAY**—Prime Minister at Transport House, London, before visiting Portsmouth and Southampton. National Union of Teachers Conference opens, The Spa, Scarborough.

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31 August	Preference	£20.41
15 October	Extra Income	£16.38
30 November	Income	£13.94
Next Distribution Due		101.46

existence and with its enormous spread of investments (500 different shares) can reasonably be expected to continue to do so. The Fund is invested entirely in preference shares. At the current price of 14.5p the estimated gross annual yield is 12.25%.

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\* Planned Savings Performance Tables to 1st March 1979.

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If the name of the investor is different from the name and address separately, the signature must be accompanied by a letter from the investor stating that the signature is correct and that the investor is not a resident of the Republic of Ireland.

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Address: \_\_\_\_\_  
Place: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
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## BIDS AND DEALS

## Comet again raises cash offer for Caledonian

**MARSHALLS BUYS  
27.8% OF  
WETTERN BROS.**

## ISSUE NEWS

### Unicorn £5.6m call: 12% profit expansion

**into  
chemicals**

Unicom's leaders, the brave technology specialist, is to raise \$5.6m through a one-for-one rights issue at 100p. The board proposes to raise the total dividend for 1979 by some 12½ per cent to 10.2p gross per share. Pre-tax profits last year were £1.2m, but the company's record of £4.3m, with the help of other than doubled associate

Net tangible assets of Leat Agencies at end-1977 were \$614,236. Pre-tax profit for 1977 was \$226,361.

come of £18m. This relates largely to the first time consolidation of the group's distribution network. The purchase of Atlas Copco Craellus, which was probably worth around £400,000, and an outstanding performance by the South African associate, Cardboardum, are universal. The effect of exchange rate movements is negligible but earnings, up 3.5 per cent from £1.1m to £1.2m, are slightly

## WESTERN MINING RESTRUCTURES

The rights issue proceeds will be applied in three ways. First, the hearing is to be reduced after the increase attributable to the recent acquisition of the outstanding 50 per cent of Atlas opco Crailhus for £3.7m.

Second, Unicem has earmarked £1.5m to pay for the substantial investment in its existing

● **comment**

Unicem had the option of taking a total loan of 54 per cent in foreign currencies on the basis of a decision on the rights issue, whose initial cost taking in the increased dividend and a near 19 per cent discount will be about double that of banks

# resignation

conditions, increase operational efficiency, introduce technology when the supply position improves, rebuild its industrial diamond stocks. The supply of whole stones is in serious short supply but production of synthetic products, which is not subject to the constraint of Unbecor's requirement, is easily sufficient to meet demand.

Mr. Aucott is the managing director of Charles Clift Industries. Mr. Jones is chairman of Cliftord and, through an unlisted company called Cliftmax, a substantial shareholder.

Additional markets have reached saturation and the group recognises the need to expand by acquisition and investment in new, though related, areas. Regulations are at an advanced stage for three acquisitions, both of which are broad, which could aggregate involve expenditure some £3.5m.

Given reasonably predictable

1



## SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Lombard has increased its offer for the 70.76 per cent of Scottish and Universal Investments it does not already own. The revised bid is on the basis of one Lombard share plus 115p cash for each SUITS share. Sir Hugh Fraser, deputy chairman of SUITS, and Mr. James Gossman, a director, will recommend the revised bid, but other members of the SUITS board may continue to oppose the offer.

British and Commonwealth Shipping has been obliged to initiate a bid for Common Brothers, the loss-making ship-owning, services and insurance broking group. The bid follows B & C's acquisition of a near-15 per cent stake in Common Brothers from Goshforth Industrial Holdings. Together with the B & C subsidiary Merit Investments, B & C has a 15.8 per cent holding, the stake automatically triggering an offer under the City Code for the remaining 84.2 per cent of the Common Brothers equity. B & C is offering 200p per Common share, the same price paid in its acquisition from Goshforth, but the bid has been rejected by Common Brothers as inadequate.

Larga, a private Isle of Man company, has also triggered off a bid under the City Code by building up a stake of 36.4 per cent at prices ranging to 38p per share in John Bright, the latter last month made an agreed offer for Ash Spinning.

Dalgety's wholly-owned U.S. subsidiary, Dalgety Incorporated, has reached agreement in principle to acquire food service distributor Martin-Baker Company, a wholly-owned subsidiary of Chlorox Company for a consideration equal to its net book value at 30/4/79 estimated to be in the region of US\$30m to US\$40m. The acquisition will make Dalgety a major force in the processing and distribution of perishable, chilled and frozen foods.

Brent Walker, the leisure and property group, has announced a deal worth £11m to convert the former Debenhams and Freebury department store in London into a five-star hotel. Brent Walker is understood to have agreed to pay between £2m and £3.5m for the freehold.

Automotive products and industrial fastenings group Armstrong Equipments is paying £2.65m cash for vehicles replacement-part concern Howard Tenens Engineering (Willenhall), part of Howard Tenens Services.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder	Final Acct'ce date
Prices in pence unless otherwise indicated.						
Caledonian Hldgs.	176½	174	169	13.1	Comet	
Caledonian Hldgs.	177½	174	148	12.5	Land & Midland	
Common Brothers	200½	219	220	3.89	Br. & Camwell Shipping	

## APPOINTMENTS

## Divisional changes at Braby Leslie

The following changes have been made by BRABY LESLIE. A division of Braby Leslie has been established with the title of Braby International and Mr. F. M. J. Walsh, who recently joined Braby Group, has become divisional director of the new concern.

Changes in the mechanical engineering division consist of: Mr. A. J. Smith, managing director, and Mr. M. Bailey, a director and commercial manager, have been appointed to the division.

Mr. J. M. Andrews, managing director, in place of Mr. D. G. Anderson, who has retired from that post, but become technical director. Mr. W. J. Edwards, managing director, and Mr. E. H. Smith, marketing director, E. C. Payer and Co. Mr. T. Wilson, managing director.

Mr. A. J. Smith, group secretary, has been appointed a director of KENNEDY SMITH.

Mr. Michael Evans has for family reasons taken up permanent residence abroad and has resigned as a director of ESTATES PROPERTY INVESTMENT COMPANY.

Colonel Sir John Thomson has been elected chairman of MORLAND AND CO. in place of Major

General Sir Randle Felton, who has retired from that position but remains on the Board.

Mr. G. Cooper has been appointed managing director of WALLINGTON WESTON AND CO., a member of the Marley Group.

Mr. R. Kelvin Matterson has been appointed chairman of FS ASSURANCE in succession to Mr. Murray Vines.

The Secretary for Education has appointed Mrs. Christine Bicknell and Mr. Derek Robinson as part-time members of the BRITISH LIBRARY BOARD until March 31, 1982. Dr. F. W. Barrett, Mrs. Alison Munro and Mr. Steven Watson have retired as part-time members of the Board.

Mr. R. A. Field has been appointed a director of F. L. STURGE SYNDICATES MANAGEMENT.

Mr. C. V. Dinwiddie and Mr. D. C. Gascoigne join the partnership of MUELLERS AND CO. on April 1.

Mr. T. H. Thomas and Mr. L. W. Hill have joined HILTON GOODISON AND CO., stockbrokers, on April 10. Mr. Leslie H. Silver, chairman

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder	Final Acct'ce date
Prices in pence unless otherwise indicated.						
English Prop...	60	60	54	57.3	Olympia & York Dev.	23/4
Glass & Metal	149½	142	130	5.88	BAT	25/4
H. T. Invest.	140½	136	125	3.44	Trafford Park Estates	
Intercontinental Property	90	89	57½	12.77	Assoc. Com. Investments	
Johns. Richards	162½	161	109	35.5	Norcross	
Lindsay & Wms.	126½	120	107	8.39	RFD	
Scott & Univ. Lvs.	195½	180	204	42.9	Leahurst	
Smith Wallis	174½	165	148	17.4	R. Cartwright	
White Child & Reaney	200½	200	108	4.88	A. Guinness	

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. || Combined market capitalisation. \*\* Based on 6/4/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ||| Unconditional.

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Bank of Scotland	Feb. 1978	24,252	(28.85)	68.2
Barclays	Sept. 1978	2,814	(133.1)	(—)
Black & Edgworth	Dec. 1978	2,814	(133.1)	(—)
Blantyre Tea	Sept. 1978	1,700	69.7	12.5
Bowater Corp.	Dec. 1978	30,000	(37,000)	23.6
Bridon	Dec. 1978	17,110	(11,610)	17.3
British Printing	Dec. 1978	7,120	(5,780)	13.2
Brown Boveri	Dec. 1978	7,440	(6,310)	8.5
Wiggins (A.F.)	Jan. 1979	1,240	(1,090)	3.0
Cadbury Schweppes	Dec. 1978	48,200	(68,200)	7.2
Cape Inds.	Dec. 1978	12,730	(11,860)	43.9
Carron	Dec. 1978	1,230	(484)	12.2
De Vere Hotels	Dec. 1978	2,205	(1,523)	10.1
Eira (Whitbread)	Jan. 1979	311	(158)	12.5
Erith	Dec. 1978	1,188	(782)	11.6
Freemans (SWP)	Jan. 1979	18,747	(13,060)	11.4
Granplan Hldgs.	Dec. 1978	1,765	(1,464)	15.9
GNV	Dec. 1978	87,300	(72,300)	26.7
Harrison & Sons	Dec. 1978	201	(303)	5.9
Hillmans Footwear	Jan. 1979	1,800	(1,090)	22.5
Hewden (Alex)	Dec. 1978	17,730	(20,410)	7.0
Hurst (Charles)	Dec. 1978	991	(863)	13.3
Hyman (I. & J.)	Dec. 1978	1,550	(667)	3.7
Jourdan (Thos.)	Dec. 1978	1,464	(1,090)	15.9
KCA Ind.	Dec. 1978	2,740	(1,880)	7.1

## PRELIMINARY RESULTS

executive director. Mr. Graham is joining Sangers from P&W, where he started in 1960 in the field of financial management, becoming vice-president of the international consumer products division with specific responsibility for the City and Unilever Companies in the UK and City in France.

Mr. R. A. Graves has been appointed chairman of BRICK HOUSE DUDLEY in succession to Mr. R. M. Huxtable, who has retired. Mr. Graves joined Brick House Dudley Group in 1976.

Mr. M. C. Abbott has retired as chairman and from the Board of CHRISTY BROS. Mr. H. F. Hart has also resigned from the Board.

Dr. A. L. Lenton, chairman and chief executive of Bowater United Kingdom, has been elected president of the BRITISH PAPER AND BOARD INDUSTRY FEDERATION for two years succeeding Mr. D. T. Wilkins.

Sir Thomas Padmore has retired from the Board of the LAIRD GROUP. He remains deputy chairman of Metropolitan (Camel), a subsidiary, and of BRE-Metro. Professor D. C. Hague has also retired from the Laird Board.

Mr. A. Brooks and Mr. C. J. Baskell have been appointed directors of EPS INDUSTRIES.

Mr. John Gittins is appointed sales and marketing director, crane division, and Mr. Arnold Robinson becomes engineering director of the same division of STOTHERT AND PITT.

Mr. R. D. Robson has been appointed vice-president and general manager of the LUMMUS COMPANY CANADA.

THE SANGERS GROUP has appointed Mr. Crawford M. Graham chief executive. Mr. John Nichols, who has held the post for the past six months, reverts to his former position as a non-

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Ladbroke Group	Dec. 1978	41,400	(24,281)	41.5
Law Lane	Dec. 1978	312	(134)	0.8
Lilly (F. J. C.)	Jan. 1979	4,220	(3,110)	13.0
London Brick	Dec. 1978	14,068	(12,174)	15.4
Lowell (C. F.)	Oct. 1978	348	(151)	24.0
Low & Bonar	Nov. 1978	8,660	(7,100)	35.2
Lyon & Lyon	Dec. 1978	622	(636)	18.6
Macfarlane Group	Dec. 1978	1,207	(571)	10.5
Morgan Crucible	Dec. 1978	12,270	(11,940)	17.6
Morrison (Wm.)	Feb. 1979	3,886	(2,821)	14.2
Ocean T. & F.	Dec. 1978	10,140	(38,800)	—
Oreux	Dec. 1978	4,920	(3,930)	13.5
Phoenix Assn.	Dec. 1978	22,900†	(24,100)†	38.0
Provincial Assoc.	Dec. 1978	3,700	(3,400)	15.8
Queens Moat	Dec. 1978	446†	(263)	1.2
Reckitt & Calman	Dec. 1978	61,300	(57,810)	53.7
Savoy Hotel	Dec. 1978	1,109	(2,668)	4.3
Shamilton, L.W.	Dec. 1978	1,090	(487)	21.3
Spirax-Sarco	Dec. 1978	5,919	(5,032)	20.3
Sun Alliance	Dec. 1978	59,500	(57,700)	67.1
Sykes (Henry)	Dec. 1978	555	(957)	11.5
Taylor Woodrow	Dec. 1978	23,950	(22,400)	46.6
Tilbury Contract	Dec. 1978	2,490	(2,110)	58.4
Titagarh Jute	June 1978	1,263L	(2,008)L	(—)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Baron-Anderson	Dec. 1978	293	(287)
Halstead (James)	Dec. 1978	734	(103)
LVI	Jan. 1979	3,240	(3,450)
Martin (R. P.)	Dec. 1978	288	(350)
Milchells	Dec. 1978	2,670	(4,580)
Peachey Property	Dec. 1978	886	(768)
Peters Stores	Dec. 1978	414	(384)
Scottish Metrop.	Dec. 1978	309	(538)
Starline Engrs.	Dec. 1978	240	(214)
Town Centre	Dec. 1978	571	(—)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. \* Adjusted for any intervening scrip issue. † Net profit. L Loss.

## Scrip Issues

Buigin (A. F.): One for five in "A" non-voting shares. Buisin's Footwear: One for two. Macfarlane Group: One for four.

## Amey Roadstone UK executive director

Mr. Frank Simpson has become an executive director of AMEY ROADSTONE CONSTRUCTION, responsible for UK operations, from May 1. Mr. Simpson was formerly a director of the Bison Group and of Dowsett Engineering Construction. ARC Construction, a subsidiary of Amey Roadstone, recently acquired H. J. RORKE and appointments to that Board are Mr. Reg Williams (chairman), Mr. Simpson, Mr. John Cossham and Mr. Alan Orr (secretary). Mr. Tony Bial continues as managing director.

Mr. G. Michael Davies has been appointed to the Board of HOWARD DE WALDEN ESTATES. He was formerly estates manager to the company.

Mr. Barry Dobson and Mr. Robin Morton have been appointed associate directors of CHARLES BARKER CITY.

Mr. Brian Johns has been appointed publishing director of PENGUIN BOOKS AUSTRALIA.

Mr. Roland E. King, a partner with Price Waterhouse in Paris, Mr. Nicholas Maxwell-Lawford, a local director of Barclays Bank S.A., and Mr. Brendan Magill, general manager for France of

British Airways, have been appointed to the Board of BRITISH CHAMBER OF COMMERCE FRANCE.

Mr. John S. R. Swanson has been appointed to the main Board of BARRATT DEVELOPMENTS as group sales director.

Mr. J. D. Houston has been appointed to the Board of STERLING-WINTHROP GROUP.

Mr. R. Ian S. Meadows has become managing director of R. S. CARE AND CO. in place of Mr. George E. Lester, who has been made deputy chairman.

Mr. Michael R. Rose has been appointed a director of the CONVOYS GROUP, a member of the News International group.

Mr. Alan Hough has been appointed sales director of JAN ROBERT.

Mr. Terry Bizzard has been appointed sales director of SIMON ENGINEERING DUDLEY. He was previously general manager of Crown Lift Trucks.

Mr. P. D. Graham has been appointed managing director of OCEAN INCHCAPE succeeding Mr. G. H. Ratcliffe.

## EUROPEAN OPTIONS EXCHANGE

Series	Vol.	April Last	Vol.	July Last	Vol.	Oct. Last	Stock
ABN C F.384.20	—	—	4	5.50	—	—	F.355
ABN C F.374.20	—	—	5	3.70	—	—	"
ABN C F.364.20	—	0.10	—	—	16	2.70	F.30
ABN C F.354.20	—	0.60	—	—	1	2	1.80
ABN C F.344.20	—	0.80	40	2.80	—	—	"
ABN C F.334.20	—	—	—	—	—	—	F.75.10
ABN C F.324.20	—	—	—	—	—	—	F.56.10
ABN C F.314.20	—	—	—	—	—	—	F.140.50
ABN C F.304.20	—	—	—	—	—	—	F.38.10
ABN C F.294.20	—	—	—	—	—	—	"
ABN C F.284.20	—	—	—	—	—	—	"
ABN C F.274.20	—	—	—	—	—	—	"
ABN C F.264.20	—	—	—	—	—	—	"
ABN C F.254.20	—	—	—	—	—	—	"
ABN C F.244.20	—	—	—	—	—	—	"
ABN C F.234.20	—	—	—	—	—	—	"
ABN C F.224.20	—	—	—	—	—	—	"
ABN C F.214.20	—	—	—	—	—	—	"
ABN C F.204.20	—	—	—	—	—	—	"
ABN C F.194.20	—	—	—	—	—	—	"
ABN C F.184.20	—	—	—	—	—	—	"
ABN C F.174.20	—	—	—	—	—	—	"
ABN C F.164.20	—	—	—	—	—	—	"
ABN C F.154.20	—	—	—	—	—	—	"
ABN C F.144.20	—	—	—	—	—	—	"
ABN C F.134.20	—	—	—	—	—	—	"
ABN C F.124.20	—	—	—	—	—	—	"
ABN C F.114.20	—	—	—	—	—	—	"
ABN C F.104.20	—	—	—	—	—	—	"
ABN C F.94.20	—	—	—	—	—	—	"
ABN C F.84.20	—	—	—	—	—	—	"
ABN C F.74.20	—	—	—	—	—	—	"
ABN C F.64.20	—	—	—	—	—	—	"
ABN C F.54.20	—	—	—	—	—	—	"
ABN C F.44.20	—	—	—	—	—	—	"
ABN C F.34.20	—	—	—	—	—	—	"
ABN C F.24.20	—	—	—	—	—	—	"
ABN C F.14.20	—	—	—	—	—	—	"
ABN C F.4.20	—	—	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS C=Call P=Put

ABN C F.384.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.374.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.364.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.354.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.344.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.334.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.324.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.314.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.304.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.294.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.284.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.274.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.264.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.254.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.244.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.234.20 May Aug. Nov. 1978 1167 1979 1167

ABN C F.224.20 May Aug. Nov. 1978 1167 1979 1167



## WORLD STOCK MARKETS

Companies and Markets

## Early irregularity on Wall St.

## INVESTMENT DOLLAR PREMIUM

\$2.60 to \$1.52% (53%)  
Effective \$2.08% (22%)

A NARROWLY MIXED trend prevailed on Wall Street yesterday, after a firm start in active trading.

At 1 pm the Dow Jones Industrial Average was up 1.56 to 879.16, marking a rise of 16.98 on the week, while the NYSE All

Closing prices and market reports were not available for this edition.

Common Index, at 358.10, rose 4 cents on the day and 97 cents on the week. Trading volume expanded 2.97m shares to 25.27m, compared with 1 pm yesterday.

Analysts did not regard as

a factor President Carter's announcement he will decontrol oil prices and seek a windfall oil profits tax since the general outlines of the plan were known several days before the speech.

However, many SE traders decided to take profits, while the Teamster lock-out was also a worry.

The outlook for interest rates remained obscure. Several major banks cut their Prime Rate but Citicorp held its Prime Rate unchanged at 11 per cent.

While Consolidated Industries climbed \$1 to \$24, the Justice Department will not oppose its plans to buy General Motors' frigidair appliance business.

New England Nuclear improved \$1 to \$40, on its 100 per cent stock dividend.

THE AMERICAN SE Market Value Index rose 0.14 to 123.24, reducing its rise on the week to 0.54.

CANADA—Markets continued to advance in fairly light trading yesterday, and the Toronto Composite Index rose another 2.0 to 1,474.1.

The Metals and Minerals Index put on 1.7 to 1,276.1. Oil and Gas rose 2.2 to 2,228.4 and Utilities 0.3 to 319.90. But Banks shed 0.02 to

312.12 and Papers 0.70 to 158.48, while Golds lost 0.0 to 1,558.9.

BRUSSELS—Mixed in quiet trading.

UK issues little changed to lower, Germans also little changed, Dutch mixed, U.S. and French higher. Gold Mines steady.

AMSTERDAM—Mostly firmer. Van Ommen rose \$1.10 to \$150 on \$1.9m net profit in second half 1978. Other Shippers improved. Oira up \$1.65 to \$1.80. Midlandbank \$1.35 and CSM \$1.4.

HVA suspended, due to sharp price rise to \$1.48 from Thursday's \$1.40.10. State Loans steady to slightly lower.

SWITZERLAND. Most of the day on small volume with investors concentrating on Dollar stocks and Treasury shares.

Domestic and Foreign Bonds mixed. A lower than expected 0.5 per cent March Consumer Price Index rise helped stabilize Bond Market.

Dollar stocks traded around overnight. New York levels, 2.4 to 2,228.4 and Utilities 0.3 to 319.90. But Banks shed 0.02 to

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equity expressed as per cent of the value of the underlying equity. ♦ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, - is an indication of relative dearth.







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